| | | | | | |
|---|---|---|---|---|---|
| Austria | Sch. 18 | Indonesia | Rp 2750 | Portugal | Esc 80 |
| Bahrain | Din 0.650 | Italy | L 1300 | S. Arabia | Rls 6.00 |
| Belgium | BFr 38 | Japan | Y550 | Singapore | S$ 4.10 |
| Canada | C$2.00 | Jordan | Fils 500 | Spain | Pta 110 |
| Cyprus | C£0.90 | Kuwait | Fils 500 | Sri Lanka | Rup 30 |
| Denmark | Dkr 7.25 | Lebanon | £L 6.00 | Sweden | Skr 6.50 |
| Egypt | E£1.00 | Luxembourg | LFr 38 | Switzerland | SFr 2.20 |
| Finland | Fmk 6.00 | Malaysia | Rm 4.25 | Taiwan | NT $95 |
| France | FFr 6.00 | Mexico | Pes 300 | Tunisia | Din 0.600 |
| Germany | DM 2.20 | Morocco | Dh 6.00 | Turkey | L 210 |
| Greece | Dr 70 | Netherlands | Fl 2.50 | U.A.E. | Dh 6.50 |
| Hong Kong | HK$ 12 | Norway | Nkr 6.00 | U.S.A. | $1.50 |
| India | Rup. 15 | Philippines | Pes 20 | | |

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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**Bologna: chipping at a Communist monolith, Page 2**


World news | Business summary

## Shultz to push for Nicaragua trade ban

**The U.S. was preparing to introduce economic sanctions against Nicaragua, probably including a trade embargo, in a new bid to step up pressure on the Sandinista Government.**

Secretary of State George Shultz was reported to be ready to recommend the sanctions, which would also include a ban on air traffic between the two countries, to President Ronald Reagan before the two men left for the Bonn economic summit. Page 16

### Gold strike bombs

Bombs caused extensive damage at Johannesburg offices of two gold mining companies involved in a dispute in which 17,400 black miners have been dismissed. The explosions came only hours after one of the companies agreed to reinstate most of its sacked workers. Page 4

### Award for Indira

Former Indian Prime Minister Indira Gandhi, who was assassinated last October, has been posthumously given the Lenin peace prize, a top Soviet award.

### Swedish strike fear

Sweden appeared set for its worst strike for five years after talks aimed at getting public employees to accept a virtual freeze on 1985 wages broke down. Page 2

### Robbed again

Three masked gunmen robbed a Wells Fargo armoured car in Miami, only a day after thieves in New York stole nearly $8m from the cash delivery firm.

### Indonesia clampdown

Indonesia has put half of the 13,000 customs and excise officials at its main ports on compulsory leave of absence in a clampdown on corruption.

### Brazil air strike

Brazilian airports in São Paulo and Rio de Janeiro were virtually paralysed by a strike of ground staff and crews of some domestic airlines.

### Soviet 'massacres'

Soviet troops massacred hundreds of civilians in operations against Moslem guerrillas in Afghanistan, Western diplomats said.

### Newspaper closes

The Rand Daily Mail, long a champion of human rights in South Africa, ceased publication after 83 years, a victim of financial problems. Page 4

### Opec meeting

Nigeria agreed to receive Opec auditors soon, according to ministers meeting in Geneva. Earlier report, Page 2

### Aitken dies

Sir Max Aitken, president of Express Newspapers of the UK and son of late Lord Beaverbrook, died in London aged 75 after a long illness.

### Caucasus rail link

Soviet engineers began work on a century-old project to blast a railway through the Caucasus mountains and speed up transport links between Moscow and the far south of the country.

### Egypt frees four

Egypt confirmed it was deporting two Britons and two Maltese held without charges since last November in connection with an alleged plot to murder a Libyan political exile.

### Norway fish ban call

Environmental group Greenpeace called for a world boycott of Norwegian fish and fish products because of Norway's refusal to halt commercial whaling.

## Buitoni buys IRI food offshoot

IRI, the Italian state-owned industrial holding company, has agreed to sell Societa Meridionale Finanziari, its food manufacturing and distribution company, to Buitoni, which recently came under control of Sig Carlo de Benedetti, Olivetti chairman. Under the deal Buitoni will pay L497bn ($250m) for 64 per cent of the capital of SME. Page 17

**DOLLAR** lost ground in London, closing at DM 3.0975 (DM 3.111), SwFr 2.5975 (SwFr 2.6115), FFr 9.44 (FFr 9.49) and Y251.5 (Y252.65). On Bank of England figures, the dollar's exchange rate index fell from 147.3 to 146.7. Page 37

**STERLING** benefited from the dollar's decline in London, rising 1.25 cents to $1.2425. It was also higher at DM 3.8525 (DM 3.83), SwFr 3.23 (SwFr 3.215), FFr 11.715 (FFr 11.7) and Y312.75 (Y311.0). The pound's exchange rate index rose to 78.1 from 77.6. Page 37

**WALL STREET:** The Dow Jones industrial average closed 1.66 down at 1,258.06. Section III

**LONDON** stocks were firmer and gilts showed marginal gains. The FT Ordinary share index ended up 2.9 at 971.4. Section III

**TOKYO** turned lower as a result of public holidays and thin trading. The Nikkei-Dow market average dropped 39.63 to 12,426.28. Section III

**GOLD** fell $2.50 an ounce on the London bullion market to $321.00. It was also down in Zurich at $321.50. In New York, the Comex June settlement was $316.50. Page 36

**ANGOLA** became the 66th member of the Lome trade and aid pact between the European Community and the world's poorest developing countries.

**EEC** Commission renewed its appeal to the U.S. Administration to activate "short supply" rules allowing Community producers to meet a shortfall in special tubes needed by the All American Pipeline company. Page 6

**INDIA** is to build two new nuclear power stations as part of a plan to increase the country's atomic power capacity from 1,200MW to 10,000MW by the year 2000. Page 4

**PORTUGAL** and Spain signed an agreement on the terms of bilateral trade following their entry to the EEC, ending wrangles over fishing rights and import tariffs. Page 2

**BRAZIL'S** inflation rate fell to 7.2 per cent in April, the lowest monthly figure for nearly two years. Page 3

**CHEVRON,** the San Francisco-based oil company which bought Gulf Oil for $13.3bn last year reported a 6 per cent decline in first quarter net income to $378m despite a 73 per cent jump in revenues to $12.6bn.

**XEROX,** the U.S. office equipment manufacturer, which is in the midst of a major reorganisation, introduced a batch of new products including a range of personal computers made by Olivetti of Italy.

**HOESCH,** West German steelmaker, will not pay a dividend for 1984 despite improved operating profits up from DM 31m ($10m) in 1983 to DM 182m. Page 18

**U.S. STEEL,** the biggest U.S. steel producer, reported profits of $58m or 24 cents a share in the first quarter, against $171m or $1.35 a share last time. Revenues were down to $4.5bn from $4.8bn.

**APPLE Computer** is to discontinue the production of its Lisa model after admitting that its "revolutionary" personal computer had been a flop. Page 17

**BOEING** increased first-quarter net income by 41 per cent to $110m with a similar sales increase to $2.9bn. Page 17

**FCA,** the U.S. West Coast thrift which experienced difficulties last year after property lending, lost $38.1m in the first quarter. Page 17

# 0.2% fall in U.S. leading indicators fuels growth fears

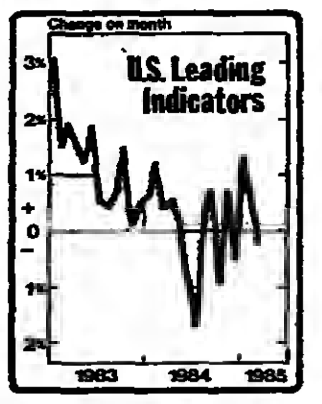
BY STEWART FLEMING IN WASHINGTON

*AN UNEXPECTED* decline in leading indicators and another large monthly trade deficit cast a further cloud yesterday over the outlook for the U.S. economy ahead of the summit meeting of the industrial countries which begins tomorrow in Bonn.

The Commerce Department said that the widely followed index of leading economic indicators fell 0.2 per cent in March to 167.1, taking it back almost precisely to the level recorded a year ago.

The department also said that the U.S. recorded a $11bn trade deficit last month, a marginal improvement on the $11.4bn deficit in February but one which private economists said would not lead to any revision of the first-quarter gross national product (GNP) data. This suggested that the economy expanded at a real annual rate of 1.3 per cent in the first three months of the year.

Yesterday's economic statistics, which included a downward revision of new durable goods orders to show a decline of 3 per cent in March rather than the 2.3 per cent reported earlier, suggest that the economy may be strengthening a little in the second quarter. But "domestic production will be restrained by a weak manufacturing sector," according to Mr Malcolm Baldrige, Commerce Secretary.




Ms Rosanne Cahn, an economist with Goldman Sachs Economics in New York, said that the data raised questions over the strength of the recovery in the growth of gross national product in the second quarter. Goldman Sachs, like several other private economic consultants, is expecting real GNP to rise by around 3 per cent this year against 6.8 per cent in 1984.

The outlook for the U.S. economy, which has been the locomotive dragging the world out of recession in 1983 and 1984, will be a big source of concern at the Bonn summit. U.S. officials have been arguing that in order to take up the slack in the world economy resulting from slower U.S. growth, America's industrialised trading partners should adopt more expansionary, but non-inflationary, economic policies.

Recent economic data have underlined the dichotomy that has emerged in recent months between a U.S. economy that is still seeing quite vigorous growth in consumer, investment and government demand but stagnation in the manufacturing sector because that demand is increasingly being satisfied by imports.

Early April car sales and March data for the construction and housing industries have been pointing to solid gains in consumer demand.


**Continued on Page 16**

**U.S. 'may act alone,' Page 3; money markets, Page 37**


# Japan's net exports of capital soar to $62bn

BY CARLA RAPOPORT IN TOKYO

JAPAN has confirmed its position as the world's largest exporter of capital – far outstripping the oil exporting nations and all other Western countries – thanks to the continued strength of its exports.

According to government figures released yesterday, Japan's current account surplus for fiscal 1984 jumped 52 per cent to nearly $37bn. However, the balance of long-term investments flowing in and out of Japan – Japan's long-term capital account – soared by 162 per cent to a $54.4bn deficit in fiscal 1984, compared with a $20.8bn deficit in 1983. Net Japanese capital outflows nearly doubled to $62.2bn, against $34bn in 1983.

Most exported Japanese capital has headed for the U.S., where Japanese investors can enjoy much higher interest rates than those on offer at home.

Japanese interest rates, which are heavily subject to government guidance, have remained at a relatively low rate for many years. Foreign critics have accused Japan of maintaining low interest rates as protection against the appreciation of the yen, a charge the Government has repeatedly denied.

JAPANESE TRADE

| Fiscal year | Current account ($bn) | Long-term capital flow ($bn) |
|---|---|---|
| 1980 | (7.00) | 2.7 |
| 1981 | 5.90 | (14.9) |
| 1982 | 9.10 | (11.8) |
| 1983 | 24.23 | (20.8) |
| 1984 | 36.99 | (54.4) |

Source: Yamaichi Research Institute. Deficits in brackets

The marked widening of Japan's current account surplus is likely to fuel anti-Japanese sentiment at the Bonn summit tomorrow, particularly from the U.S. delegation. American officials are currently in talks with Japanese officials in Tokyo on efforts to widen import opportunities for a variety of American goods, including electronics, forest products, and agricultural goods.

Japan's trade account for fiscal 1984 (exports minus imports) scored a record high in 1984, touching $45.6bn, up from $34.6bn. Both this figure and the current account surplus exceeded government projections for the year.

In a brief comment, Ministry of Finance officials said Japan's trade surplus with the U.S. of $33.8bn was chiefly responsible for the overall payments surplus. Exports overall rose 11.3 per cent to a record $167.79bn, while imports were up 5.1 per cent to $122.17bn.

The figures also shows that direct investments in Japan by foreign companies dropped sharply in 1984.

# Tenneco to invest FFr 600m in IH France takeover deal

BY PAUL BETTS IN PARIS

TENNECO, the U.S. energy group, will invest FFr 600m ($63m) in France as part of its agreement with the French Government for the acquisition of International Harvester's loss-making French operations by J.I. Case, Tenneco's farm machinery subsidiary.

In turn, the French Government will provide financial support by advancing FFr 130m in soft loans and FFr 40m in subsidies to help Case restructure IH's French operations.

Case will take over two of the three IH farm machinery plants in France in the agreement just completed with the French Government. A detailed deal is due to be signed soon.

French officials confirmed last night the new injection of funds from Tenneco and the French government into IH's French operations. They also said that IH's combine harvester plant of Angers, which employs about 180 people, would be closed.

Case, however, intends to devote its new investments in the IH transmission and assembly plant at St Dizier which employs 1,750 people. This plant is expected to become Case's European transmission manufacturing centre, according to French officials. IH's remaining French plant, a cab-building factory at Croix which currently employs 750 people, will be taken over by Case although capacity and jobs will be cut there.

Negotiations between Tenneco and the French Government were repeatedly extended because of the failure to reach a suitable compromise. Tenneco obtained an option to buy the IH French plants, as well as IH's West German and Danish subsidiaries, when it bought for $430m the U.S. and British assets of IH last year.

Tenneco had been seeking financial and industrial restructuring concessions from the French authorities while the French Government was insisting that Tenneco commit sizeable new investments as part of its acquisition of IH's French assets.

Tenneco is now concluding negotiations with IH's French banking pool over the FFr 316m in debts owed by IH's French operations to these banks. The banks are expected to convert the bulk of these debts, about FFr 240m, into new non-voting Tenneco preference shares. They are also expected to retire a small part of this debt.

Moreover, the IH parent company in the U.S. is expected to agree to write-off a further FFr 500m worth of claims on its former French subsidiary. In all, IH's French subsidiary had debts totalling nearly FFr 1bn.

French officials confirmed yesterday that Renault, the state-owned car group, had in no manner been involved in the Tenneco transaction. At one stage, the French Government had considered the possibility of Renault taking over the IH French operations.

Indeed, Renault and IH signed an industrial co-operation agreement last year. But this agreement was never put into effect because of IH's decision soon after to abandon the farm equipment business.

# UK employers confident of strong upturn

BY MAX WILKINSON IN LONDON

THE RISING tide of unemployment in UK manufacturing industry may be turning at last and output and orders are expanding at an accelerating pace, according to a survey by the Confederation of British Industry, the employers' federation.

Its quarterly industrial trends survey of 1,544 companies, published yesterday, paints an extremely buoyant picture of the British economy. It certainly gives no indication that recession is on the horizon, as official indicators suggested last autumn.

The survey will encourage the Government that the Treasury's prediction of overall economic growth of 3½ per cent this year, with further expansion in 1986, will be fulfilled. The Treasury was more optimistic than most independent forecasts, but officials have recently seemed confident about its predictions.

The survey showed that orders have been picking up rapidly in recent months, and are expected to continue to improve. Companies have been doing better than they expected in the last quarterly survey in January and exports and investment plans remain buoyant.

The proportion of companies expecting orders to rise was the highest since 1976.

On the jobs front, the survey showed tha first indication since the onset of recessioo in 1979 that total employment in manufacturing industry may be starting to stabilise after years of decline. Replies to the survey question on numbers employed were the most optimistic since July 1977.

CBI staff cautioned, however, that larger companies seemed still to be shedding labour, and that the new jobs offered by smaller companies would probably be only just enough to prevent the overall total from falling.

General business confidence appears to have risen decisively since January. It may have been dented in the earlier survey by uncertainties about the miners' strike and the outlook for interest rates and sterling.

The survey shows that every sector of industry is now more hopeful than it was four months ago, with smaller firms particularly buoyant about prospects.

There is concern about inflation, which the survey suggests will come under strain from higher prices of supplies and higher manufacturers' selling prices.


**Details, Page 8**


# Tokyo sets deadline for new Gatt talks

BY RUPERT CORNWELL IN BONN

MR Yasuhiro Nakasone, the Japanese Prime Minister, last night insisted that preparations for a new round of Gatt trade liberalisation negotiations must be completed by the end of this year at the latest.

Mr Nakasone emphasised this point during a wide-ranging opening session of talks here with Chancellor Helmut Kohl, on the first day of an official visit to West Germany just before the seven-nation economic summit which starts here tomorrow.

Attempts to agree on an opening date for new Gatt talks will be a key theme of the gathering. But Japan is likely to come under powerful pressure from its trading partners, above all the U.S., to ease access of imports to its domestic market and thereby reduce a trade surplus running at some $40bn annually.

His talks with Chancellor Kohl bring together the leaders of the two countries which boast the largest trade surpluses and which between them account for about 17 per cent – or almost $600bn – of total world trade.

**Mr George Shultz, the U.S. Secretary of State, warned that if this week's Bonn economic summit did not agree to a new round of world trade talks, the U.S. would proceed on its own. His remarks were taken as a response to President François Mitterrand of France, who is seeking to link new trade talks with monetary reform. Page 3**

Given its own strong trading position, which could result in a record surplus of up to DM 75bn in 1985, West Germany has arguably less cause for concern than other European Community members over the trade imbalance between the EEC and Japan, $10bn in favour of Tokyo in 1984.

But Bonn's own deficit is steadily


**Continued on Page 16**


# Flying start for Euro DM floaters

By Maggie Urry in London

SWEDEN and Dresdner Bank were in a photo finish yesterday in the race to be first to launch a floating rate note in the newly liberalised West German capital market. Sweden's issue also breaks the size barrier at DM 1.5bn the largest foreign bond issue denominated in D-Marks. Dresdner Bank's issue will raise DM 500m.

Both borrowers were a day ahead of schedule since the Bundesbank, West Germany's central bank, had fixed today for the opening of the capital market to new instruments such as floating rate notes and zero coupon bonds. Also from today foreign-owned banks in Germany can lead manage bond issues denominated in D-Marks.

The lead managers, Deutsche Bank for Sweden's deal and Dresdner Bank, were busy yesterday syndicating the deals before today's May Day holiday in West Germany. However, the official launch will take place today.

Sweden's reputation as an innovative borrower and its high credit rating made it a natural candidate to be one of the first borrowers of floating rate D-Mark funds.

Mr Peter Engstrom, the director in charge of Sweden's international borrowings in tha Swedish Debt Office, said that the issue would increase the country's previously low exposure to D-Mark debt as well as diversifying away from fixed rate bonds. West Germany is a major trading partner of Sweden.

Strong demand emerged for both issues, and Sweden's was increased from an original DM 1bn. Investors who normally buy dollar-denominated floating rate issues – bonds where the interest rate is regularly refixed in line with money market rates – were keen buyers of the D-Mark deals.

There was a new source of demand reported from German corporate treasurers, who can obtain a higher rate of interest from the issues than they could by putting their cash on deposit with the banks.

Both deals were quoted above their par issue prices in "grey-market" trading yesterday. More floating rate deals are expected this month and Sweden's terms could come to look generous if future borrowers are encouraged by the success of early issues to demand finer pricings.

However, bankers point out that the market could become congested despite the Bundesbank's requirement that lead managers must report planned issues before the beginning of the month when they will be launched.


**Eurobonds, Page 38**

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EEC MINISTERS DELAY DECISION ON HIGHER BUDGET CONTRIBUTIONS

# Hitch in plan to raise VAT ceiling

BY QUENTIN PEEL IN LUXEMBOURG

A LAST-MINUTE bitch over ways of financing future European research projects prevented the EEC foreign ministers yesterday from setting their seal on e long-term increase in budget contributions from the member states.

The plan to raise the ceiling on VAT contributions to the Community budget—from 1 per cent to a 1.4 per cent VAT rate on a given basket of goods end services — incorporates the system of multi-year reductions in Britain's budget contributions. It is alos needad to bring into full effect the system of budget discipline already approved by finance ministers.

The upset came yesterday when the ministers attempted to change their proposal tn eccommodate e proposal from the Europeen parliament, which wonld provide extra cash for research projects either from the EEC budget, or from individual member states.

West Germany, in the shape of Herr Jurgen Ruhfus, the Minister of State for Foreign Affairs, insisted that the amendment be referred to Boun for approval—and the entire decision was therefore postponed until the end of the week.

The research financing proposal was the only point raised by a European Parliament delegation to he acceptable to all the other ministers, who were keen not to be seen to be riding roughshod over the system of consultatiun with the MEPs.

An attempt by the MEPs to gain an assurance that the Britisb budget payments system would be ahandoned after 1987 —and that any future budget rebates be payable in the form of spending schemes, not reduced hudget contrihutions—was ruled out by the ministers.

The Parliament's proposal would allow more flexibility in financing future research projects. However, berr Ruhfus was worried that the change would open the way for increased spending over which the ministers would not have enough control.

The wbole aree of the EEC involvement in big research programmes is very much in debate at the present, with the European Commission working on plans whicb could allow different member states to be involved in different projects, in e form of "variable geometry." Officials believe this might be one wey of accommodating the French "Eureke" proposal within the Community structure, even if all members are not necessarily involved.

If Bonn raises no formal objection to the chenge, the decision on increased VAT contributions could he approved by written procedures, instead of a full council meeting, at the end of the week. It then bas to be ratified by ali 10 national parliaments before the British rehate can be pald.

The increase from 1 per cent to 1.4 per cent is not likely to keep the Community budget balanced for more than two years, in spite of efforts to bold down farm spending which accounts for more than 70 per cent of the total.

However, a further attempt hy the Parliament to have written into the agreement an increase in the VAT ceiling from 1.4 per cent to 1.6 per cent "as soon as proves necessary" also failed

On a separate qnestion, the ministers agreed to increase from Ecu 6bn to Ecu 8bn the amount of casb available to member states for balance of payments loans. The last such loan (of Ecu 4bn) was made to France in May 1983.

The decision limits to 50 per cent of the new total the amonnt available to any individual member, but it lifts the present restriction tying sucb loans to stetes effected by increased oil prices.

# Spain and Portugal settle their fishing and import differences

BY PETER WISE IN LISBON

PORTUGAL and Spain ended an historic wrangle over fishing rights and lmport tariffs yesterday with agreement on terms of bilateral trada following their joint entry to the European Community In January.

The breakthrough, sweeping away the only remaining serions obstaclo to their signing EEG membership treaties in June, came after 17 hours of negotiations between the two foreign ministers as pressure mounted on the two countries to settle their differences or accept EEC arbitration of the deadlock.

Sr Fernando Moran, the Spanish minister, said Spain had kept its promise to "take two steps if Portugal takes one" and hoped that the accord would ensure satisfactory relations during the two nations' 10-year transition into the Community.

His Portuguese counterpart, Sr Jaime Gama, said tho agreement was a victory for both countries and a triumph for free trade that would help Spain and Portugal reduce protectionism and develop a "more European" approach to commerce.

Under tho agreement, both countries will be barred from fishing in each othor's 12-mile zone except in common border ereas where local authorities will permit limited operations. Spaln bas given way to a key Portuguese demand not to catch shellfish in these areas.

This is of particular advantage to Portugal as Spain has Western Europe's largest fishing fleet, and its fish catch off the Portuguese coast bas long been a source of anger. Fishing in the 12 to 200 mile zone will be restricted by licence. Tbe number has not yet been determined hut lt is understood that Portugal bas agreed to concede 90 a year against its original proposal nf 80. All fishing concessions are to be strictly mutual.

The accord replaces a contested 1969 fishing agreement througb wbicb Spain obtained "historic rights" to fish Portugal's rich coastal waters in a diplomatic trade-off with former dictator Antonio Salazar. Tha Lisbon Government denounced the treaty last year and banned Spain's fishing fleet from its waters leading to a number of incidents at sea.

Portugal bas already agreed that existing EEC nations will be allowed to fish its 200-mile zone under a licence system, but will be barred from coastal waters.

Portugal is believed to have made limited concessions in fishing rights in return for measures thet will enable the country to boost exports to Spain and improve e trade balance currently tilted more than two to one in Spain's favour.

From January, Spanish import dnties and restrictions are to be abolisbed on all Portuguese goods, with the exception of textiles, cork and some petrochemical products. These will be subject to qnotas for four years with extended platforms set in the fifth year.

Bilateral trading terms for tomato pasta and fish conserves will not be settled until accords on these products are finalised between the Iberian nations and the EEC.

**Quentin Peel adds:** Signature of the EEC Treaties nf Accession should take place on June 12 or 13, leaving just under six months for all the Community's national Parliaments to retify them.

EEG foreign ministers yesterday singled ont the two dates on tha assumption that ell the remaining details of the negotiations are completed, and tho treaties drafted, hefore then.

The plan is for EEC heads of government, where possible, to attend signing ceremonies in the morning in Lisbon and in the afternoon in Madrid.

# Broadcasting plans 'disastrous'

BY RAYMOND SNODDY

PROPOSALS FOR harmonising Commuunty hroadcasting regulations were ettacked yesterday as "pernicious and in the end disastrous," by Dr Albert Scharf, president of the European Broadcasting Union (EBU).

Some of the proposals in the EEG Green Peper, "Television Without Frontiers," would beve a devastating effect on the "creative, prosperous variety whicb is important for the European cultural landscape," he said.

He was speaking ln London at an Independent Broedcasting Authority conference on the Green Paper which edvicates the harmonisation of advertising and copyright regulations to help create a single Community market for television programmes.

An unavoidable consequence of such barmonisation, Dr Scharf argued, would be the production of an American-like broadcasting market in Europe. Unless national broadcasting structures were preserved, the European market would become more narrow and domineted by non-European multinational programme suppliers.

Harmonisation would actually create new harriers to programme exchange in Europe for most of Scandinavia, Austrie and Switzerland.

Broadcasting, he argued, was closely linked with cultural and national identity and was more than merely a means to making money.

Lord Thomson of Monifieth, cheirman of the IBA and e former European Commissioner, believed that hermonisation of edvertising rules could best be achieved by negotiation rather than directives.

"Tinkering in national cultural policy is no substitute for common technological and industrial policies where they are really needed. We need common policies on space, communications and information technology infrastructure."

Dr Ivo Schwertz, principal author of the Green Peper, said that the legal differences in different countries were "discouraging, complicatlog and delaying" for the development of cross-frontier programmes carrying advertisements, including those offered via satellite and cable networks.

The Commission was proposing with the belp of a directive to lift the prohibition of hroadcast advertising in Belgium and Denmark and introduce more time for edvertising generally. It was proposing a form of deregulation, replacing ten divergent rules with one common one.

"Tbare is no attempt to harmonise for harmonisation's sake. The Commission's objective is simple: to minimise restrictions on advertisements," Dr Schwartz said.

# Lome pact signed by Angola

By Quentin Peel

ANGOLA YESTERDAY formally signed the Lome Convention with the European Gommunity, making it eligible for increased aid and preferential trade deals.

The ceremony at the conclusion of the EEC foreign ministers' meeting here means Angola will join Mozambique as the second former Portuguese colony with a marxist government to join the pact, in spite of having strong reservations about its political implications.

It also means that the Community can provide more assistance to the joint schemes nf the black states of Southern Africa to rednce their economic and transport dependence on South Africa.

Key schemes such as transport improvements in Mozambique and Angloa have been ruled ont in the past for EEC assistance because the two countries were not Lome members.

The EEC ministers yesterday also received a request from President Julius Nyerere of Tanzania for a top-level meeting with the black frontline states in the region; and instructed officials to draw up plans for such talks.

They issued a statement expressing serious concern at the deteriorating situation in South Africa itself, insisting that the Pretoria Government's recent proposals for race reforms do not go far enough.

"The 10 consider that the measures recently announced do not match the reality or scale of the problem," the ministers said. "Only the abolition of discriminatory practices, and of the system of apartheid, together with recognition of the civil and political rights of the black population, are capable of ensuring the peaceful evolution of South African society."

On Namibia, the 10 reaffirmed their support for the UN plan for e ceasefire and pre-independence elections, embodied in Security Council Resolution 435, "without preconditions."

They flatly rejected the latest announcement by the South African Government on setting up an interim government in Namibia as "null and void," and deplored the delays in implementing the UN plan.

# Bonn not to attend E. German ceremony

By Rupert Cornwell in Bonn

WEST GERMANY will be sending no official representative to attend the ceremonies on May 7 and 8 planned by the East German authorities to mark the 40th anniversary of the end of the second world war.

Bonn's decision, the result of intensely delicate and conflicting pressures, is yet another illustration of the complexities thrown up by the capitulation of Germany in 1945 and its subsequent division into two nations, each under a different ideological system.

The determining factor has been the strongly propagandistic flavour given to the occasion by the East Berlin regime, which constantly implies that what is now East Germany was untainted by National Socialism and describes defeat, for the eastern part of the nation, as "liberation."

The view, especially strong in West Germany's ruling Christian Democrat-Christian Social Union (CDU/CSU), has prevailed that this is a complete distortion of what happened in East Germany, where Nazi dictatorship was merely replaced by another dictatorship, this time of Communism.

As a result, Herr Hans-Otto Bräutigam, Bonn's permanent representative in East Berlin – effectively its ambassador to a state whose separate citizenship West Germany does not recognise – will be absent from the main events planned.

These are a commemoration in East Berlin's Palace of the Republic, and a wreath-laying ceremony at the Soviet war memorial at Treptow, close to Berlin.

Paradoxically, Bonn's ability to steel itself to say no to the East Germans has been increased by its refusal to countenance dropping the visit to Bitburg military cemetery by President Reagan during his official visit, despite the outcry.

However, the decision has not been lightly taken. The West German mission in East Berlin is reported to have counselled taking part as it is anxious not to jeopardise the fragile rebuilding of ties frayed by the abrupt cancellation last September of the planned trip to West Germany by Herr Erich Honecker, the East German leader.

In the wake of Bonn's refusal, it was not clear last night whether tho Western wartime victors, France, Britain and the U.S. would attend the East German celebrations.

Britain is understood to be making acceptance conditional on East Berlin – and by extension Moscow – toning down the expected anti-Western propaganda likely to be heard.

The U.S., for its part, is said to be still furious about East German handling of the ceremony on April 13 marking the anniversary of the liberation of Buchenwald concentration camp.

On that occasion Herr Hermann Axen, a member of the East Berlin politburo, used his speech to inveigh against "the U.S. arms build-up" and "the megalomaniac plans of American world domination." Buchenwald, moreover was liberated not by Soviet, but by U.S. troops, in 1945.

Meanwhile a new shadow was cast yesterday over the Bitburg visit of Mr Reagan. Following confirmation that the ceremony there will go ahead, a spokesman for the World Jewish Congress said yesterday that this organisation would stage a demonstration to interfere with the President's earlier scheduled visit to the site of Bergen-Belsen concentration camp.

# Poles face expulsion as Bonn tightens residency rules

BY LESLIE COLITT IN BERLIN

MANY OF tbe 96,000 Poles wbo have entered West Germany in recent years face deportation under an Interior Ministry regulation which takes effect in June. It is aimed against "economic commuters," who come to work ln West Germany and then return to Poland with their D-mark savings.

Many of tha Poles have jumped Polish cruisa ships and ferries et Wast German Beltic Sea ports, wbile others have travelled across East Germany to West Berlin. Nearly 14,000 Poles arrlved there last year, and some 8,000 registered in Hamburg.

Entry has been easy for Poles since 1966, when they and other East Europeans were given special status under West German immigretion law. They did not have to apply for political asylum and were autotical asylum and were eutomatically considered "tolerated" persons.

Last year, 10,000 Poles left West Berlin after several months of working there. An unknown number are said to "commute" between Poland and tbe city et regular intervals.

After June 1, all Poles who enter West Germany and West Berlin will have to apply for political asylum, as will those wbo have "tolarated" status. They will not be permltted to work during part of tbe time it takes to decide wbether they qualify for asylum.

An important change ln the rules stipulates that East Europeans who return home withln five yeers of entering West Germany will he prohibited from settling in the country again.

But even under the new rulas, those East Europeans who apply for political asylum but fail will still be allowed to stay in the country.

# Solidarity activists held in May Day round-up

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH euthorities bave been stepping up arrest of Solidarity activists in advance of today's May Day celebrations when tbe banned union's supporters are expected to demonstrate against food price rises.

Mr Jerzy Urban, the government spokesman, edmitted yesterday that there were 112 political prisoners in Poland, some 40 sbort of Solidarity estimates. Three aides to Mr Lech Walesa, the Solidarity leeder, were detained in Gdansk on Monday and arrests beve also taken place in Poznan, Krakow and Lodz.

The union's supporters in Warsaw have been asked to gather at the grave of Fr Jerzy Popieluszko, the murdered pro-Solldarity priest, to mark May Day eway from the official parade in the city centre.

Mr Urban also said yesterday that the dismissal of Mr Bronislaw Geremek, a historian from his post at the Polisb Academy of Sciences, was because of his activities whicb were "harmful to the State." Mr Geremek, onca a Solidarity adviser, met Sir Geoffrey Howe, the British Foreign Secretary, during his recent visit bere.

There was a strong hint from Mr Urban yesterday that the Government will try to stop official Western visitors from visiting the Popieluszko grave as Sir Geoffrey did. The issue is complicating preparations for a visit here by Mr Leo Tindemans, the Belgian Foreign Minister.

"We essess that Sir Geoffrey Howe's visit was a positive event," Mr Urban said, hut the Government regretted the visit to the grave because of the publicity it recelved. "This was harmful and we must draw conclusions from the fact," be said.

**AP adds:** Tho official Communist party newspaper Trybuna Ludu charged Mr Walesa with seeking to make political gains from the calls for anti-government protests. "This year again Walesa himself and gronps of enemies of socialism would like to capitalise on tha workers' holiday," it said.

# Hungary airs problem of growing private sector

BY PATRICK BLUM IN VIENNA

HUNGARY'S PRESS is using the occaslon of May Day to ponder the problems facing the country's Industries and its workforce, highlighting what lt describes as the contradictions that heve developed between the predominant stete sector and private enterprise.

Magyar Hirlap, the Budepest daily newspaper, yesterday praised the performence of privete retallers and businesses but warned of the dangers caused by discrepancies between the profitability of privete companies and their attraction for Hungarien workers, in comparison to the low standards often set hy the large state-owned concerns.

The number of private retailers grew by 16 per cent last year to 25,000 shops, lt said. While this was a posltive development, many workers preferred to work for private companies or privately within the state sector. Many hed extra jobs or did overtime on their own account and this could have a serious offect on the larga stete-owned companies.

Employees often worked two to four hours' overtime a day under a scheme wblch allows them to work privately witb factory tools. Productivity could be 30-50 per cent higher than during normal working bours, the newspaper claimed.

Companies sbonld offer better working conditions and higher saleries, "then tbe workers would perform much better in their normal factory time and they would not need to work privately," It said.

Nepszabadsag, the Communist party daily, warned ebout the increasing role of the private sector, and hlamed inefficient management and poor organlsation for tbe lack of enthusiasm in tbe "Socialist" sector.

It was easier to build socialism 40 years ago than today wben Industry and decisions had become much more complex, it said.

# Nigeria bars check on oil quota adherence

By Dominic Lawson in Geneva

NIGERIA is holding up attempts by en international accounting firm to supply ministers of the Organisation of Petroleum Exporting Countries with e full accounting of adherence by Opec members to its production quotas.

A meeting of four Opec ministers, chaired by Sheikh Ahmed Zaki Yamani of Saudi Arabia, met yesterday to assess the report of the Klynveld Kraayenhof eccountancy firm of tha Netherlands. Opec hired the firm last December in the face of falling oil prices and mounting fears that output and prices by member-netions were not being tabnlated correctly.

The move took piece at a time of growing fears thet Opec was uneble to collectively manage its own affairs efficiently.

## Frustrating

The firm bas been able to go to all Opec member states except Nigeria and is believed to have audited figures for the February and March exports of all other members.

This is particularly frustrating for Sheikh Yamani and his colleagues since Nigeria is currently the only Opec country to be greetly exceeding its production quota. Nigeria is thought to be prodncing at a rate of 1.7m harrels a day compared with its official Opec-agreed quota of only 1.3m b/d.

Nigerian officials insisted yesterday that General Buhari, the Nigerian heed of state, has now given permission for the auditors to visit the country and that a date for the visit could be agreed et today's meeting.

Nigeria's recent overproduction is directly linked to the strong seasonal demand for petrol in the U.S. for which the light Nigerian crudes are particularly suited.

Opec fears that the auditors mey only be allowed in when that seasonal surgo is over and Nigeria's ectual production is more in line with its official

This initial report by Klynvold Kraayenhof will be giving figures only for exports although tho original commission covered all production and prices.

The auditors want to be able to submit figures which cannot be qnestioned and point out that exports can, et least, be clearly monitored at loading terminals, ports and through tanker movements.

## Unqualified

The proliferation of complex barter deals bas made it impossible for the auditors to produce an unqualified set of Opec pricing accounts.

Opec is thought to have produced about 16.4m b/d in April 400,000 barrels ebove its 16m h/d cealing. Sheikh Yamani said recently that the organisation was producing at only 15.2m h/d but this view has met with little support being widely seen as an attempt to talk up the oil price.

The ministerial executive council which met yesterday consists of Sheikh Yamani, Professor Tam David-West of Nigeria, Dr Arturn Hernandez Grisanti of Venezuela, Dr Subroto of Indonesia and Dr Mana Saeed al Otaiba of the United Arab Emirates.

Dr Otaiba, however, has not turned up for tha meeting. The presence of the Nigerian Oil Minister at the meeting meant that some frank discussions were in prospect, Opec officials said.

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James Buxton visits Bologna as Italy prepares for local elections

# Chipping at a communist monolith

BOLOGNA is a city that bas fallen asleep. That accusation —voiced by Sig Paolo Giuliani, e city councillor—has become a warcry in tha campaign against one of the great traditions of postwar Italy.

The tradition is that cities controlled by Italy's Communist party arerun more afficiently, more bonestly and mora imaginatively than any others in the country. Bologna is atmost a shrine to Communist rule: ln this enclent city of warm, red hrick on the south side of the Po plain, the Communists command almost 50 per cent of tbe vote and bave dominated almost everything in it since the war. They rule tbe city with tha Socialists who have just under 10 per cent of the vote.

Now, however, the Christian Democrats are trying to overthrow tbat tradition. They possess only a maagre 20 per cent of the vote, but in the nationwide local elections on Mey 12 they intend to hegin the long march of electoral recovery, witb the eventual goal of toppling the Communist monolith. It is an immensely hold ambition, and not even tbey believe that they can achieve it hefore the turn of the century.

"Tbe first thing we bave to do is to develop an ettitude of effective opposition which we Christian Democrats slmply aren't used to," says Sig Nino Andreetta, the former Treasury Minister wbo is heading the Christlan Democrat campaign.

He maintains thet Communist rule not only functions poorly, but that lt ls stifling what ought to be a dynamic city. "I can't stand its suffocating paternalism that is reminiscent of e city of Eastern Europe," he says. "Everything thet happens ln the city has to be done through them. They lnsinuete themselves into everything, turn everything into an opportunity for Communist propaganda.

"Italian cities need argument, debate. Tho Communist way is to seek compromises with everyone, with the construction Industry, wlth tbe shopkepers, with business. It's hypocrisy. Sometimes the Red Flag goes up on a factory that is closing down, and sometimes mysterlously it doesn't."

Given the disorder and strife of several other large Italian cities, en outslde observer might consider that something of an advantage. No one challenges the fact that Bologna, with its 450,000 people, is a very prosperous commercial and industriel centre, whose wealtb, despite the official ideology of its rulers, is based largely on small and medium-sized industrial companies—the essence of Itallen capltalism. Unemployment is only 7 per cent, against the national average of 11 per cent.

But eccording to Slg Andreatta, Bologna's orderliness and the preservation almost intact of its bistoric centre has been achieved et the price of rigorously controlling immigration from tha rest of Italy by strict building controls. "We don't have that melting pot of people you get in otber Itallan cities," something which, despite being a Bolognese himself, he seems to regret. "Now, with fewer hirths and more deaths, the city populatiun is declining. Between now and the year 2000 the school population wilt have halved."

Yet, be claims, the city council blocks new building as much es it can, enabling the landlords to make blg profis. For hlm, it is an example of the subtle way the Communists manage to get almost everyone on their side.

A few streets eway in the city hall, Sig Renzo Imbeni, the 40-year-old Communist mayor, responds scornfully. "The Christian Democrets said exactly the same thing the last time we had local elections—that we were grey and boring. But don't you really prefer this odmlnistretlon to the wild bullding speculation that has ruined other cities, and hillsides devastated by construction that you find in Naples or Genoa? You have to admit that we heve kept Bologna heautiful.

"We are not inefficient: 70 per ceot of all requests for permlts are dealt with in less than 90 days."

On one point, however, he does look embarrassed. Earlier this year 21 people—municipal officials, businessmen and others —were jalled by magistrates investigating corruption over building permits. It is the kind of scandal which is very common in other Italian citiea but is not supposed lo happen under upright communist rule. "It is very serious, a grava wound to the clty," he says.

The Gbristian Democrats would be delighted if in this election they won just two or three more percentage points in the vote. But can they really expect in the foreseeable future to overturn the formidably entrenched network of Communist influence, which even extends into the business world through the agricultural and industrial co-operatives which are affillated to the party?

Historically, Emilia, the region of which Bologna ls capital, has been fiercely anticlerical, the result, it is said, of bundreds of years of being part of the Papal States. Earlier this century, lt was predominantly Socialist, then under Mussolini it was Fascist, and now its anti-clericalism manifests itself mainly in Communism. If Bologna ever went Christian Democrat, it would be a revolution.

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# Shultz says U.S. may act alone to cut trade barriers

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MR GEORGE SHULTZ, the U.S. Secretary of State, yesterday stoked up the diplomatic temperature in advance of this week's Bonn economic summit by warning that the U.S. would go it alone if the summit decided not to go ahead with a new round of world trade talks.

Mr Shultz told a satellite news conference that "if a decision is made not to go ahead on a multilateral round of negotiations, then the U.S. will proceed on its own."

Mr Shultz's remarks were taken as a sharp response to M Francois Mitterrand, the French President, who said on Sunday that he would not back the new trade talks unless the summit also agreed to negotiations on monetary reform. Washington insists that there can be no "linkage" between the two.

U.S. officials have in the past warned that the U.S. would consider pursuing trade liberalisation with "like-minded" countries if it were not possible to move ahead on a global basis. Mr Shultz'a comments, however, were more aggressive than any that have been made publicly by the Reagan Administration in recent days.

France, along with the other OECD countries, has already agreed to the opening of a new round of trade talks as soon as possible. The issue for Bonn is not whether new talks should start, but under what conditions and when, with the U.S. pressing for January.

Mr Shultz told another Washington briefing yesterday that the U.S. would continue to insist ont he vital importance of the new round in Bonn, while resisting major changes in the international monetary system, of the kind France has called for. While there might be some room for improvement, the present system of broadly floating exchange rates bad "worked pretty well," be said.

Defending President Ronald Reagan's planned visit to a German war cemetery, Mr Schultz said that the nproar it had provoked might, even ironically, have given the gesture deeper significance.

Mr Schultz said that the importance of post-war reconciliation bad been underlined by the angry reaction to Mr Reagan's plans to visis the Bitburg Cemetry on Sunday. "It shows bow deep these wounds are," he said.

# NY City to repay $556m of debts

By William Hall in New York

NEW YORK CITY is te repay all but a token $1m (£830,000) of the federally backed loans which it raised at the height of its financial crisis in the mid-1970s. The move is a confident gesture of its return to financial prosperity.

The city plans to repay early $556m of federally guaranteed city bonds next month and replace them with cheaper funds raised on the financial markets. It is retaining $1m of federally backed debt because it wants to be able to retain certain benefits, including $450m of city tax collections, which would expire on the repayment of the final federal loan.

Mr Ed Koch, New York's mayor who bas played a key role in restoring confidence in the city, said: "We are no longer sick. We are healthier than any other city in the country."

The move will save the city $200m in borrowing costs over the next two years and Mr Koch plans to use the extra money to hire 2,000 extra policemen, 400 extra street cleaners and allow a modest cut in the city's income tax.

New York City's financial crisis came to a head in 1975 when it was forced to lay off city workers

Tim Coone reports on the constitutional problems facing the Honduran President

# Cordoba's crisis threatens U.S. alliance


Cordoba: pressure to resign

AS THE U.S. Congress thwarted President Reagan'a plans for escalating his "covert" war in Nicaragua, 3,000 U.S. Marines and soldiers supported by belicopters, jet aircraft and paratroops last week stormed ashore in a mock invasion exercise in northern Honduras.

The exercise, codenamed "Universal Trek '85," was one of the biggest yet staged by the U.S. in Central America and was transferred to Honduras from the Dominican Republic with the clearly-stated aim of increasing the pressure on the Sandinista Government in Nicaragua.

The manoeuvres in Honduras are now increasingly geared towards the preparation of U.S. troops rather than their Honduran counterparts. The "Universal Trek" exercise was designed "to give our air and ground forces realistic combat training and to test deployment in combat siuations," according to Mr Arthur Skop, the U.S. embassy spokesman in Tegucigalpa. Honduran participation in the exercise, directed against a defended port at Puerto Castillo on the Caribbean, was minimal.

One interpretation of the exercise was a rebearsal for a possible invasion of the Nicaraguan port of Corinto on the Pacific. Corinto would be the first objective in any U.S. invasion of Nicaragua, as without it the Nicaraguans' military and economic capacity to fight a regular war would falter in a matter of weeks.

Tbe confident use of Honduran territory by the U.S. Administration for its Central American policy belies an increasingly volatile political situation. For the past month Honduras bas been plunged in a deepening constitutional crisis over President Roberto Suazo Cordoba's powers and his control of the judiciary. President Suazo Cordoba has found himself opposed by a powerful section of his own ruling Liberal Party and risks not being able to control the Presidential election due in November. The crisis in turn has focussed criticism on President Suazo Cordoba's policy of accommodating U.S. interests in Central America.

A rebellion has taken place in the party, led by Sr Efrain bu Giron, president of the National Congress, and Sr Jose Azcona, former Communications Minister in the President's government. Both are chasing the Liberal Party Presidential nomination for the November elections, and both would probably defeat the President's own choice as his successor (a relatively unknown figure in the party) if internal party elections were beld.

The crisis surfaced when the Congress voted to dismiss the Supreme Court and to nominate a new one. The rebellious Liberals united with the minority Nationals and two otber small parties, to obtain the necessary majority vote.

The Congress alleges corruption, political bias and inefficiency on the part of the Supreme Court judges, serving only the wisbes of the President on contentious issues. The new Supreme Court judges sworn in by the Congress immediately bad arrest warrants issued against them by the existing judges.

Running arguments have since ensued between the Congress and the President over the constitutional legality of each other's actions. The latest is over a reform to the electoral law which obliges the parties to hold internal primary elections for their presidential candidates. The President has vetoed the reform, and the Congress has called on the Supreme Court which it recognises (whose president is now in prison) to rule upon the constitutional legality of the reform.

"If the President does not accept the changes in the Supreme Court and internal party elections, tyranny will come to rule in this country followed by a violent crisis," Dr Rene Sagastume, a National Party deputy, told the FT.

Sr Jorge Arturo Reina, a prominent opponent of the President within his own party, went even further: "In the name of anti-subversion and opposition to the Sandinistas, the President has heen trying to seize control of all spheres of public life."

President Snazo Cordoba does little to dispel this image. He accused his principal opponents in the Liberal Party, themselves vocal anti-communists, of being "ultra-left allied with the nltra-right . . . serving the interests of Nicaragua."

Until now the powerful military has remained on the sidelines, probably for the first time in a Honduran constitutional crisis this century. However, the armed forces are being inexorably drawn in, and General Walter Lopez, the head of the armed forces, bas made contradictory statemsnts. On one occasion he recently hinted a solution might be for the President to resign, and on another he said that the army stood firmly behind the President. However, General Lopez has also warned that "drastic measures" will have to be taken shortly if the crisis is not resolved politically.

No mutually acceptable political solution is in sight with both sides intent on confrontation. A deal within the Liberal Party is being ruled out by the President's opponents. The oppositon block in Congress is now considering issuing a decree declaring the President to be ill, and therefore unfit to govern. The President could respond by resigning, or by ordering tbe dissolntion of Congress. The latter would invariably spark civil unrest and bring the military into confrontation with the trade unions and students.

With the constitution weighing in the President's favour, he might alternatively press ahead with his nominee for the presidential elections, subduing Congress with his veto. Bnt this would preclude a radical redrawing of existing party lines and efforts will be made to forge the existing opposition alliance in Congress into a multi-party electoral coalition. In power sucb an alliance could be expected to make substantial changes to foreign and domestic policies, both to the detriment of President Reagan's current strategy of relying on Honduras as the U.S. aircraft carrier in Central America.

# Argentina acts on debt payments

By Peter Montagnon, Euromarkets Correspondent

ARGENTINA is to pay $50m (£42m) in interest on its public sector foreign debt this week in an effort to placate bank creditors worried about arrears approaching $1bn.

Its announcement yesterday came as the arrears, which stretch back to November 4, were about to move over the six month mark, prompting expectations that U.S. government agencies responsible for supervising the banking system will again declare Argentine loans as officially "sub-standard."

Senior bankers said yesterday that though this week's payment is small in relation to the total arrears, it is encouraging gesture by Argentina which had been resisting the idea of making any payment at all.

Argentina has argued in the past that while its $1.4bn loan from the International Monetary Fund remains blocked, it lacks the cash to meet interest payments on its $48bn foreign debt. Sr Brodersohn said yesterday that talks with the IMF "continued to make progress."

Senior bankers added that they are becoming more optimistic about the chances of Argentina being able to arrange bridging finance to reduce the arrears substantially if it does reach an IMF agreement soon.

## Eastern Air Lines wins London route

Eastern Air Lines has been awarded a non-stop Miami-London route, subject to presidential approval, the U.S. Transport Department announced yesterday, Reuter reports from Washington.

Eastern was selected over World Airways for the flights. Air Florida had the route until it suspended flights last year after filing for bankruptcy.

# General Dynamics cuts jobs

By William Hall in New York

GENERAL DYNAMICS, the giant U.S. defence contractor, which is being investigated by the U.S. Government following allegations of over-charging, plans to lay off over half the workforce of its Quincy shipyard because the yard bas nearly run out of U.S. government orders.

The company has announced that up to 3,100 of the 5,300 workers at its Quincy shipyard in Massachusetts will be laid off over the coming year. The first notices will be sent out next week.

The layoffs are the latest sign that the U.S. Government's tough approach with General Dynamics is beginning to bite. Although the company declined to link the layoffs to General Dynamics' problems with the Government, the Quincy shipyard is highly dependent on official orders.

The U.S. Inspector General has recommended that no new contracts be awarded to the company until some of its senior executives quit. However, General Dynamics claimed yesterday that so far there has not been any interruption in the company-wide order flow, despite the investigations.

The company is finishing work on five ships for the U.S. Navy's military sealift command. Four are being delivered this year, and the fifth in early 1986.

The company has tendered for three tankers for the U.S. Navy and two ocean survey ships. It hopes to hear whether it has been successful within the next few months.

Reuter adds from Washington: Boeing, responding to charges that contractors overcharge the Pentagon on spare parts, announced a policy to refund the price of any Boeing part if the government thinks the price unreasonable. It said the policy would cover all items costing $100,000 (£83,000) or less sold after July 1 1984, and returned before next July 1, and all future sales.

# Brazil's monthly inflation rate falls to 7.2%

BY ANNE CHARTERS IN SAO PAULO

BRAZIL'S monthly inflation rate fell sharply in April to 7.2 per cent, the lowest figure in nearly two years.

The news, released by President Jose Sarney's office ahead of the official announcement, means that the 12-month inflation rate fell during the month to 228.6 per cent from 234.1 per cent.

Price controls, in place on major industries since shortly after the Government took office in mid-March, are thought to be partly responsible for the downturn. Economists quoted in a Brazilian-based economic report said, however, that traditionally there are fewer inflationary pressures in April with the start of crops harvest.

With the inflation rate for the first four months of the year totalling 49.99 per cent, the presidential announcement expected last night of a precedent-setting 106 per cent increase in the minimum salary, pegged to the consumer price index, has caused concern in business circles about how seriously the Government intends to pursue its fight against inflation.

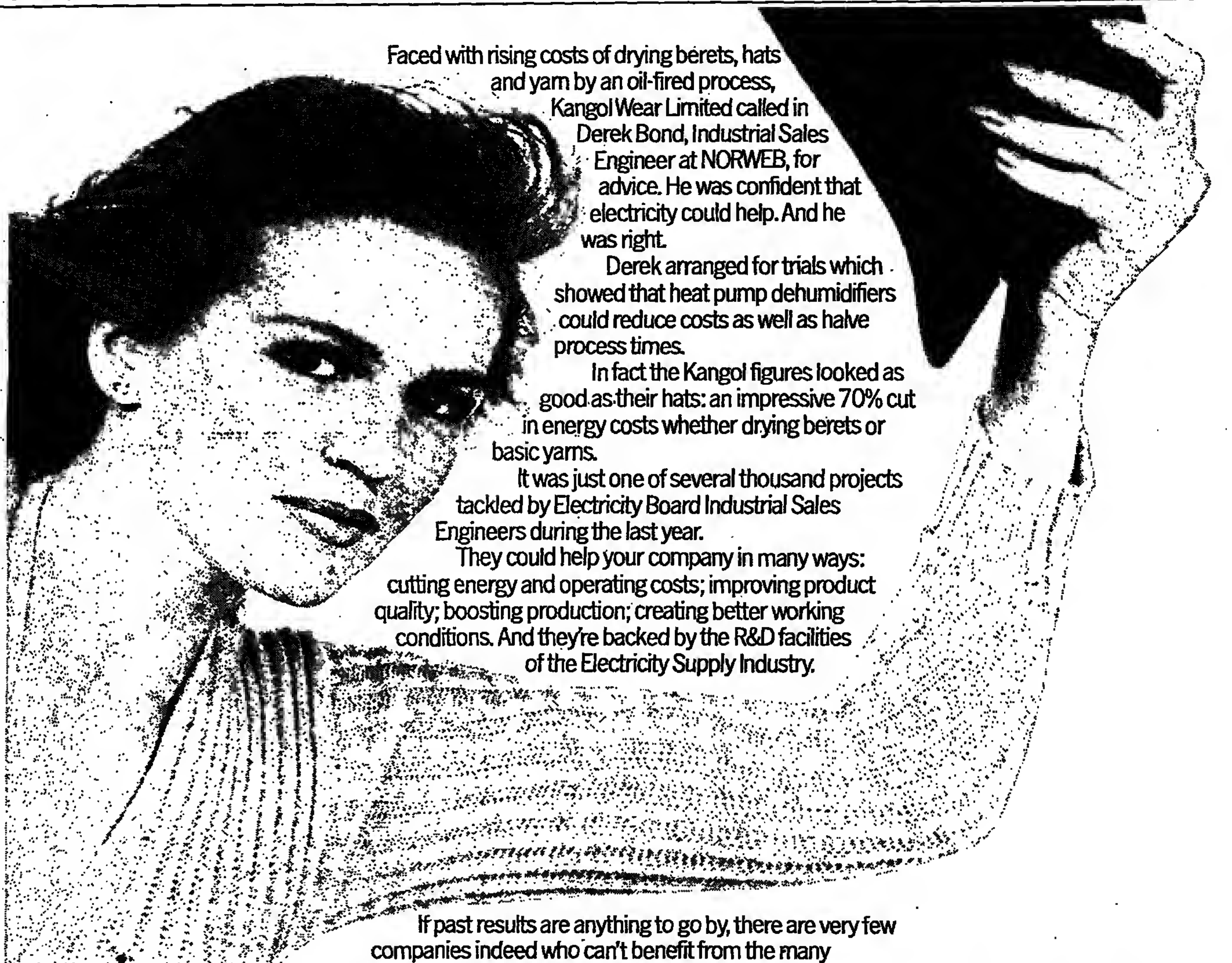
Although only an estimated 21 per cent of Brazil's workforce receive the minimum salary, the size of the increase is taken as a standard for better-paid workers.

The Government argues that it wants to send a strong psychological message to Brazilians that it is time workers started to recoup purchasing power eroded over the last several years. Balancing this with the Government's avowed austerity drive seems to be difficult.

Strikes against major manufacturers threaten to spread this week to airline personnel, railway and underground employees. In the industrial region around Sao Paulo, the metal workers are holding out for a reduced working week of 40 hours and salary adjustments every three months. The Government has warned companies that they will not be permitted to pass on the cost of three-monthly wage increases.

Meanwhile, Sr Antonio Lemgruber, Central Bank president, seemsd to have had his hand strengthened with the surprise resignation at the weekend of Sr Sergio de Freitas from his post as director of the international area of the Central Bank.

Sr Freitas and Sr Lemgruber apparently disagreed on strategy for Brazil's forthcoming debt renegotiation.



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# OVERSEAS NEWS

## Lebanese Moslems take key position

By Our Middle East Staff

MOSLEM forces yesterday seized a key position beld by the Israeli-backed South Lebanon Army east of tho port of Sidon and opened the way for an assault on the Cbristian town of Jezzine where many thousands bave taken refuge from the fighting.

A battle raged throughout the morning around the South Lebanese Army positions at Kfer Falous, six miles from Jezzine, before Amal, the Shi'ito Moslem miltia, and its allies claimed they bad taken control of poeitions earlier evecuated by Israeli troops.

The South Lebanon Army, under the command of Gen Antoine Labed, is financed and equipped by Israel. Its main forces moving south to attack Israel and to pollce a 7-15 km deep territory north of the Israeli bordor.

Mr Nablb Berri, who beads Amal, and Mr Walid Jumblatt, the Druze chieftain, bave both said they will not attack Jezzine if the SLA withdraws from the town.

However, the SLA insisted yesterday that it would not pull out of Jezzine and was supported by Dr Samir Geagea, leader of the Christian forces which rebelled against President Amin Gemayel and have in the past few days been driven out of the positions they earlier seized in the eastern suburbs of Sidon.

In Beirut, there was also heavy overnight fighting along the Green Line which separates the Moslem and Christian balves of the city.

Christian emissaries were yesterday reported to bave been dispatched to Jezzine to seek a way out of the crisis and bold talks with Gen Lahad.

## Israel to get extra $1.5bn U.S. aid

By David Lennon in Tel Aviv

THE U.S. State Depertment has decided to recommend that Congress grant Israel $1.5bn in emergency economic aid over the next two years. At tho samo time the Stato Department will recommend providing Egypt with an additional $500m (£406m) in aid.

Palestinians living undor Israeli occupation on the West Bank and the Gaza Strip will benefit from a special allocation of $8m for projects to improve the quality of life.

Israel has received $2.6hn in economic and military aid this yeer. However, hecause of the balance of payments deficit and the decline in foreign currency reserves it has asked for another $1.5bn to help meet its debt obligations and begin e return to economic growth after years of stagnation.

The news of the Stste Department decision was greeted with relief in Jorusalem, wbere worries about the deterioration in the foreign currency resorves bad led to speculation about bow many months were left before the country ran out of money to pay for essential imports.

The House Foreign Affairs Committee authorised the aid deal early in April, bnt action on the package was delayed at the reqnest of Mr George Shultz, the Secretsry of State.

**Anthony Robinson** in Johannesburg reports on the fight for political and economic power in the gold fields

## Black miners take on the corporations

THE CONTRAST between the solid opulence of the Jobannesburg beadquarters of the great South African mining corporations and the sparesely furnished sulte of offices on the fifth floor of a run-down office block which serves as nerve centre for the black Netional Union of Miners could not be more etriking.

But the solid strength of a gold mining industry whicb last year invested R1.64bn (£670m) in new mines and development and earned R10.93bn in revenue on the production of 661.g tons of gold is now being challenged as never before.

For nearly e century, the gold-bearing reef, which extends in a wide arc 120 km westward from Johannesburg to Klerksdorp, re-emerging 100 km further south around Welkom in the Orange Free State, has relied on cheap black labour recruited largely from far-away homelands or such neighbouring states as Lesotho, Swaziland, Botswana, Mozambique and others further afield.

Divided by ethnic and national differences and forced by the country's apartheid laws to live in mine compounds far from their families, it has been a relatively easy task to control be black miners.

Ever since a bitter strike in 1922, wben white miners paraded through Johannesburg carrying banners saying "Workers of the world unite for a white South Africa," white miners have jealously guarded their privileged position as supervisors and technicians. These privileges were entrenched in job reservation legislation, which bas been whittled down over the years but still reserves 11 key occupetions for white bolders of blasting and other certificates.

It was a world which gove something to everybody: high profits for mineowners and investors at home and ebroad, high tax revenues for government, high wages for wbite miners, and food and jobs for blacks and their families throughout Southern Africa.

Despite the increasingly capital-intensive nature of the industry (formed by the ever-increasing depth of mines and the relatively low quality of the ore body), nearly 500,000 blacks are still needed because of the fractured nature of the seams and the buge quantities of ore to be mined, milled and processed.

Over the years, that black labour force bas become increasingly skilled. Over the past three years, since legislation introduced in 1981, it bas also etarted to become unionised.

Mineowners were in the forefront of moves to legalise black unions for two main reasons:

- They believed it would be easier to deal with organised representatives;
- They saw the black unions as a useful ally in their long battle to replace expensive white labour in key jobs with cheaper skilled black labour, or so the white miners believe.

But the omergenco of tho Netional Union of Miners under whicb the leadership of Mr Cyril Ramaphosa bas coincided with e mucb broader process of black politicisation. The first legal strike by black mining unions last September coincided with the outhreak of violence in black townships in the Vaal triangle, whicb bas sinco spread into endemic violence in townships across the country.

Seven miners were killed in fighting whicb broke out last September partly because of the union's inability to get the message through to its members

Vaal Reefs miners in a company bus

that a last-minute settlement bad been reached, giving them e 16.3 per cent wage Increase.

Some of the violence, like the riot involving 4,000 workers whicb left 10 dead et the President Steyn mine at Welkom In the Free State last month, was tho result of tribal tension in the closely packed hostels.

But the most serious outbreak of labour probleme has occurred over tbe past eix weeks in the Vael Reefs South Mine, ownod hy Anglo American, and the neighbouring Hartebeestfontein mine, owned by Anglovaal.

Mineowners and unions disagree over the uoderlying causes of the labour unrest, which came to a head last weekend. Anglovaal decided to sack 3,000 of its 16,000 workers for taking part in an nnofficial strike over the secking of four union officials cbarged with intimidation, and Anglo American decided to sack 14,400 workers who struck in eupport of over 300 union activists dismissed on similar charges.

By the tough standards of South African black labour reletions, putting up with six weeks of sporadic labour unrest showed considerable restraint.

In the eyes of the two companies tha men had gone on strike illegally, non-strikers had been intimidated and the union had not been able to control its members.

For the union, bowever, the two companies' oction in paying off nearly 18,000 men end shipping them back to their faraway homes was a sbow of force signalling their intention to bargaio hard through the Chamber of Mines on the union's demand for a 40 per cent pay increase end an end to job restriction rules.

After seven hours of tough negotiations on Monday, the union claimed victory and said the employers bad agreed to reinstate all the sacked men. This was denied by Mr Peter Gush, chairman of Anglo's gold and uranium division, who said Anglo had agreed it would "favourably consider reapplications by former Voal Reefs employees but would tako applicants' work record into account." To the nnion, this looks suspiciously like en attempt by the mineowners to weed out union ectivists.

Labour specialists forecast tough times aheed for the mining indnstry and for the mining unions. But it is not only the black unions who ere in a militant mood. Mr Arrie Paulus, the right-wing leader of the white miners, has been called back from retirement by bis 23,000 members and has submitted a 20 per cent wage claim and declared a state of conflict. The desire of white miners to regain ground lost throngh inflation is one factor. But to white and black miners alike, the main issue is the future of job reservation and the balance of economic and political power in the industry.

## Vital issue is white job reservation

**MR CYRIL RAMAPHOSA, the 33-year-old former labour lewyer who is president of the black National Union of Mineworkers (NUM), yesterday spoke to the FT at the union'e Johannesburg bead office.**

**"The key issue in the current disputes at Vaal Reefs and Hartebeestfontein gold mines and the forthcoming contract negotiations in the abolition of white job reservation of the mines. For years black miners bave been compelled to do jobs like charging and blasting, iegally reserved for white miners.**

Why did Anglo American and Anglovaal dismiss nearly 18,000 black miners?

**It showa that mine management is out to break the union.**

Will they succeed?

**No, the unions have emerged from this strike much stronger than before. After seven hours of negotiations with Anglo they agreed to re-instete sacked workers.**

The management complained of intimiotion. Is that true?

**"We have only 30 shaft stewards et Vaal Reefs. I do not see bow they could intimidate 16,000 workers. Workers have reacted to management provocation — incinding the use of rubber and live bullets and tear gas.**

Will your demand for the end of job reservation lead to friction with the white mineworkers union?

**There alreedy is white/black friction and violence in the mines. It will get worse. If there is e fight underground the black is always wrong and**

Apart from ond to job **is dismissed.**

reservation you are demanding a 40 per cent wage increase, is that nogotieble?

**I can't disclose our negotiating tactics but we are looking for more than the 16.3 per cent we got last year and we believe the mines, with profits swollen by rand depreciation, can afford to pay. At present average pay of a block miner is R230 (£96) per month and e white miner R1,200. Our aim is to reduce that gap.**

## The Rand Daily Mail dies unmourned by Pretoria

SOUTH AFRICA'S leading liberal paper, the Rand Deily Mail, appeared for tho last time yesterday, monrned by its 116,000 regular buyors but not by e Government which it criticised for decades, Jim Jones reports.

Its publisher, South African Associated Newspapers (SAAN), which lost R8m (£3.35m) last year on the back of a R15m loss by the Mail, will replace it this morning with a new financial newspaper called Business Day, modelled, SAAN claims, on tho Financial Times.

The loss of tho Mail, whicb has consistently criticised apartheid and uncovered frequent Government scandals, leaves Johannesburg's wbite Englisb speakers with little choice in their morning reading.

The alternative is the Citizen, e shrill tabloid which is an unquestioning supportor of Government and which was established with secret state funds 10 years ago. It also deprives blacks, wbo comprised two-thirds of the Mail's readership, of a publication which supported their aspirations.

President P. W. Botha welcomed the announcement of tho Mail's pending closure in mid-March as indicating a new shift towards consonsus politics.

The greater degree of media conformity heralded by the Mail's death is unlikely to be disturbed. The state-owned radio and television services are largely uncritical of Government and provide little but the official ruling party line on current evonts.

They will not be threatened by the fact thet SAAN, along with three other newspaper groups, bas been awarded participation in a new pay television channel to be introduced later this year. Tho new channel, will not carry any news and will confine itself to the broadcasting of soap operas and old films.

## Iranian offensive expected by Iraq

By Tony Walker, recently in Baghdad

IRAQ is bracing itself for a new Iranian offensive on its southern front in the same orea as the March offensive whicb left thousands dead on both sides.

Iraq claims that there have been big troop movements near where the Iranians broke through Iraqi lines in March. Western officials say the new offensive could be even larger than that thrust last month across marshland and the Tigris River to the main trunk road connecting its largest cities, Baghdad and Basra.

Tbe highway — cut hriefly by Iranian troops north of the town of al-Qurnah, at the junction of the Tigris and Euphrates rivers — is still closed more than a month after the offensive was thrown back, leaving an estimated 20,000 to 30,000 Iranian dead. Estimates of Iraqi casualties in the Marcb battle, one of the most critical in the 55-month war, rango up to 10,000.

Western military attaches say that Iranian successes in the early stages of the battle exposed defence deficiencies worrying to the Iraqis and bave led to redoublod efforts to etrengthen preparedness on the southern front.

Units of Iraq's elite presidontial guard have been sent to the front to bolster defences, and the Iraqi Air Force bas been flying dozens of sorties against Iranian troop concentrations.

Western officials with access to satellite information about Iranian preparations say that the new offensive could involve as many as 10 divisions of combat troops. They say that Iraq is clearly concerned about any new thrust towards the main road and over the prospect of another fierce battlo in waterlogged terrain unsuitable for Iraqi armour.

Iranian preparations for a new offensive and diplomatic activity at the UN have brought a temporary lnll to the fighting. Both sides bave stopped, et least for tho time being, attacks on civilian targets.

In Baghdad, the debate continues on wbother recent explosions in the capital, which damaged a large bank building and part of an expressway, were acts of sabotage by Iranian agents or caused by missiles launched from Iran.

Western military attaches say that if the damage was cansed by missiles, though that it is likoly they were relatively small devices with perhaps less than 100 kilograms of explosives and not the large Soviet-built and Libyan supplied Scud-B missiles as first suggested.

Among foreign residents in Baghdad it is firmly believed that several of the explosions were acts of sabotage. Fear of further sucb attacks in a central three-kilomotre radius of the city has forced tho relocation of several government departments, closure of e museum and the barricading of roads near key installations.

President Saddam Hussein of Iraq has again called for a negotiated end to the war, saying his country was ready to end it through peaceful moans. He told delegates to an Islamic conference in Baghdad that Iraq was not indifferent to the bloodsbed. It was, bowever, "a problem we beve to face with faith and capebility."

## Maputo rail link damaged

By Michael Holman

ANTI-GOVERNMENT forees in Mozamhique havo damaged a key railway bridge on the railway linking the capital, Maputo, with tho Sonth African railway system.

A spokesman for the Mozambique National Rosistance (MNR), which bas heen waging an increasingly successful guerrilla campaign against the government of President Samora Macbel, said that the sabotago was designed to cut Maputo's water and electricity supplies as part of a "final offensive" against the city. Some 1,200 tons of coal for Maputo's power station as well as 19,000 tons of general goods are said to be stranded at tho South African border town of Komatipoort as e result.

The attack on tho bridge took place in tho early bours of Saturday morning.

Maputo'e electricity supply is eaid to be running at barely a third of normal servic

## India plans two N-plants

By John Elliott in New Delhi

**INDIA is to build two new nuclear power stations in the western states of Rajasthan and Karnataka as part of its plan to increase the country's atomic power capacity from 1,200 Mw to 10,000 Mw by the year 2000. The target for 1990 is 4,400 Mw.**

**This was announced on Monday night by Mr Rajiv Gandhi, India'e Prime Minister, to MPs during a review of the industry's progress. He said the country's nranium reserves were sufficient to take care of this programme.**

**India plans to start work on 12 units of 235 Mw eacb and ten units of 500 Mw during the next ten years.**

**India's first stations at Tarapur near Bombay are functioning at only 130 Mw to 140 Mw each instead of their 210 Mw designed capital.**

## U.S. urges ADB to shift lending

BQ CHRIS SHERWELL, SOUTH-EAST ASIA CORRESPONDENT, BANGKOK

THE REAGAN Administration, which is currently reviewing its support for all multilateral lending agencies, yesterday made its strongest call yet for a radical shift in the lending policies of the Asian Development Bank (ADB) in favour of the privato sector.

Tbe call reveeled Washington's evolving ettitude both to the World Bank and to regional counterparts of the ADB such as the InterAmerican Development Bank.

These agencies play a crucial role in the economic development of the world's poorest countries.

The move also coincides with the ADB's own recently disclosed plans to lend to privete sector borrowers without obtaining government gueruntees. This is e mejor policy departure with important implications for the world's commercial banks.

Tho latest U.S. position was spelled out by Mr David Mulford, assistant secretary of tho U.S. Treasury, at the ADB's annual governor's meeting now being beld in Bangkok. Mr Mulford said the bank should stop lending to state agoncies which produce goods and services more efficiently provided by the privato sector. Where tho private sector was "shnt out" of the market, moreover, the hank should work with the borrowing country to develop private alternatives.

More significantly, ho said thet project funding by the ADB should be a means to change government policies. He said the bank should fund ntility projects wbere tariffs have been rationalised and finance agricultural projects where prices havo been freed. It sbould also assist privatisation efforts.

Bank officials said the U.S. statement represented a further tougbening of its stand, which in ADB forums has been spelled out most hluntly in recent months by Mr Joe Rogers, the new U.S. representative on the bank's board of directors.

- Taiwan is to come under intense pressure from other government memhers of the Asian Development Bank to chango its formal membership name so thet China can be promptly admitted to the bank.

The shift in ettitude follows a private meeting of tho bank's directors in Bangkok yesterday, when persistent differences between the two countries again surfaced over tbe naming of their delegations once China joins.

Chine's flexibility over the matter, demonstrated last year wben it dropped its previous insistence on the expulsion of Taiwen, now eppears to bave generated overwbelming support for Peking'e application, and impatience with Taiwan seems to be growing.

## Rural-exiles end Peking protest

By Robert Thomson in Peking

THE rural workers protest at the Peking Communist Party headqnarters has onded following condemnation by Cbinese authorities who said the demonstration was "completely wrong"

For the past week, hundreds of rural workers, sent to work in the Chinese countryside in 1968 during the Cultural Revolution, bove occupied the steps of the Party headquarters and demanded that they be given permission to live in Peking.

The Chinese Press, which bad studiously ignored the protest, yesterdey published scatbing criticisms of their beviour and urged them to return to their bomes in Shanxi Province, e poor coal mining region 320 km west of Peking. Tbe protesters apparently have agreed to return.

Each morning, the protesters hed camped themslves in front of the party building, and kept business hours.

# RESOURCES REVIEW

## Small becomes beautiful in mining

By George Milling-Stanley

DON YOUNG is a prospector. Each morning, when he is not otherwise occupied in ehovelling snow away from the door of his tiny cabin in the backwoods of British Columbia, or chopping logs for fuel, he takes bis geologist's bammer and the appropriate containers for the samples of rock and soil be plans to collect, puts on his snowshoes, and sets off into the bush in searcb of a gold mine.

Gold is the only thing wortb looking for these days, Young says. In the 1970s, his main target was molybdenum, the so-called "snace-age" metal used in bardening ateel alloys. But by the end of the decade, when he bad found enough signs of mineralisation at the right sort of grades to offer an option on his prospect to a mining company, everyone had lost interest.

The majors had effectively sewn up the market, and in any event the world was eliding into recession, and moly demand and pricee were falling. Later, the excess of supply over demand grew so acute that even mighty Amax was forced to close its two mines in Colorado completely, and the group virtually gave back to the original vendors two prospects on whicb it had already spent millions of dollars.

Exploration for gold has not suffered to anything like the same extent as for base metals, but the criteria whicb compenies use for jndging wbether to take out an option oo a property for further examination are cbanging constantly.

Just a few short years ago, everybody wanted "elepbants," massive deposits containing enougb reserves at rich ore gredes to juetify either the ainking of several sbafts under one company's banner, or the opening of more tban one mine, as at the Hemlo gold field in north-western Ontario.

Thoreaftor, principally in the light of experience in Nevada and elaewhere in the sonthwestern U.S., the target hecame big deposits which were close enougb to the surfoce to be amenable to open-pit mining.

Now, with many mining companies losing money each year on their traditional operationa, speed has assumed a key role alongside operating costs. The ideal deposit has become one whicb can be brought into production within e couple of years, rather than the more traditional nine or 10 years.

New mines must also have a short paybock period, in other words the operatng company wants to be oble to recoup its capital expenditure rspidly.

Exchange rate movements bave played a larger role in changing the definition of the correct targets for exploration than is apparent at first glance.

Changes in currency parities are of very short duration when viewed in the context of exploration work which may typtcally take eeveral years, evaluation and feasibility studies perhaps 1g months to two years, construction anything between one and five years and a mine life of probably et least 10 years and possibly mucb longer.

Nevertheless, companies bave no choice but to base their investment decisions on a mixture of present realities and their projections for the future.

Tbe current weakness of most metal prices is less severe in non-doller currencies. But the big shift in empbasis away from bose metals and towards gold reflects the fact that even priced in U.S. dollars, gold remains a relatively attractive metal to mine.

At around $300 per ounce gold is still well aheed of the fixed level of $35 per ounce whicb epplied before 1968. Thet is why Amax, once an acknowledged leader in base metal mining projects costing anything np to half a billion dollars, finds it practical to put e fraction of that sum into the development of its Sleeper gold mine in the Slumbering Hills of Nevada.

Sleeper bas two main attractions; the mine is expected to rank among the lowest cost gold producers in the world, ond it should be in production hy May of next year. Amax is olso involved in gold projects elsewbere, with decisions expected imminently on deposits in New Zealand, Western Australia, Tasmania and Canada.

This fits in with the general perception of the direction in which the exploration budgets of tho larger mining companies are heading. Spending on exploration bas been slasbed over the past few years, especially in North America, and as one observer puts it, "overybody is looking for more bang for their buck."

It bas taken the mining industry longer than most others to realise that small is beautiful, hut that is without doubt tho main message coming out of the exploration departments of most of the big companies today.

Those companies which are generally acknowledged to be most successful at exploratioo bave always made room in their budgets for a thorougb examination of smaller deposits. Australio's Western Mining Corporation, for example, refers specificaly in its latest annual report to several small open-cut gold reserves whicb it plans to exploit.

In line with the declared pbilosophy of Sir Arvi Parbo, WMC's chairman, that "mineral exploration has been the foundation of the company's growth," there seems to be a willingness at the highest levels of management to listen to reports from explorstion geologists in the field, and to react quickly to the information.

Apart from gold, the only significant explorstion interest left is in special situations, where a combination of factors, usually involving geograpby, timing and the particular metal sought, provides the potential for good profits.

Tin is a prime example. The world'e major producers, grouped in the Internetional Tin Council, bave responded to the current high level of stocks overhanging the market by imposing swingeing cuts in sales and production, but these reductions do not apply in countries which are net importers of the metal.

That is the case in Canada and the UK, end belps to explain why Rio Algom, the Canedian erm of the Rio Tinto-Zinc group, is proceeding rapidly with the development of its big East Kemptville tin mine in Nova Scotia. Other RTZ companies are pressing ahead with outlining new reserves et much smaller mines in Cornwell.

Similarly, the agreements currently being reached between the countries of the European Community over motor vehicle exhaust emissions hove caused a resurgence of interest in the search for platinum, used in the catalysts wbicb cut the amount of noxious gases produced. Tbe likelihood that West Germany will be the first to legislate has even prompted some exploration io that country.

Copper is another case in point. While an exploration geologist with any knowledge of economics would run a mile if ha stumbled over a potential copper mine in North America, the red metal is actively being pursued in Chile.

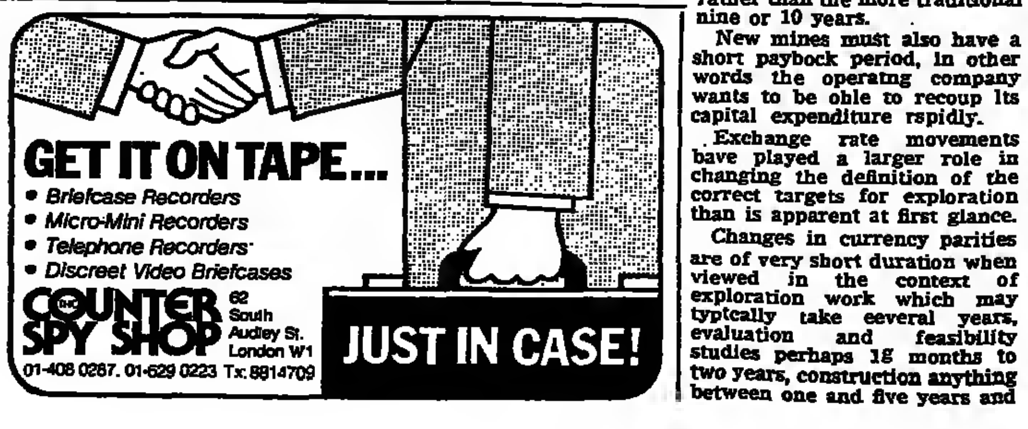
That is a simple function of the country's favoureble combination of high-grade deposite and a depreciating currency, wbicb virtually goarantees profitability even thougb many other copper prodncers are engaged in a desperate etruggle to stave off the threat of benkruptcy.

Apart from gold, it is only situations such as tbese which are likely to erouse eny interest on the part of heleaguered corporate treasurers in the preseot climate where funds are tight and every available cent is immediately put to work in reducing the enormons burden of debt banging over so many mining companies.

It is to these situations tbat the Don Youngs of this world must turn their ottention, unless they want to live in their backwoods cabins forever.

Ashley Ashwood

Test drilling for gold near Kalgoorple, Australia

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747's FROM JUNE 1st.

# Britain 'faces £4bn deficit in electronics'

BY CHRISTIAN TYLER, TRADE EDITOR

BRITAIN'S deteriorating balance of trade in electronic goods points to a deficit of over £4bn in that market sector by the end of the decade, a House of Lords committee was told yesterday.

The British subsidiaries of IBM and Hewlett-Packard were giving evidence to the Lords committee on overseas trade.

The companies produced estimates showing that a surplus on information technology trade in 1978 had become a deficit by 1980 which rose to some £1bn in 1983, and possibly to £2.3bn on all electronic goods.

Mr John Fairclough, director of manufacturing for IBM in the UK, and Mr David Baldwin, managing director of Hewlett-Packard's British operations, defended their companies investment record and contribution to the UK industry.

But pressed by Lord Kearton, one of the committee members, they admitted that investment strategy decisions affecting the British industry lay in the hands of their U.S. parents.

Mr Fairclough said that the British government should identify and support what he called the key technologies, and back investment by matching grants and perhaps public procurement contracts.

In a paper submitted to the committee, Hewlett-Packard argued that the Government should continue to encourage multinational investment in the UK, tackle the skill shortage and do more to educate business in the importance and uses of information technology.

It said there was no overall strategy. "This has proved damaging, as the vacillations over cable and satellite television have shown."

The Government should announce a long-term strategy in collaboration with the companies "which pulls the industry together and produces the winners of the future."

Both companies stressed that the deficit in electronics was not just a British, but European problem. IBM said it expected to keep its own imports and exports broadly in balance in the UK.

## Export insurance move

BY OUR TRADE EDITOR

TRADE INDEMNITY, a leading British commercial credit insurer, is branching out into the small but growing private market in insuring exporters against "political" risk.

Political risk cover would be provided in conjunction with Lloyd's of London, with Trade Indemnity taking a share of the risk, the company said.

TI will be offering cover against non-payment due to foreign exchange problems in the buyer-country, against contract frustration or cancellation, and public buyer default.

Mr Jerry Friend, head of TI's export division, described the package as a "significant step into a new area of risk taking," but said TI was "not entering the field as a political risk insurer *per se*."

The problems of the British Government's Export Credits Guarantee Department have encouraged private insurers to fill selectively what they see as gaps in the state scheme's coverage.

# Austrians poised for China power plant orders

By Patrick Blum in Vienna

ELIN-UNION, the Austrian electrical engineering and equipment company, is poised to reach agreement on contracts worth several million dollars for hydro-electric power plants in China.

A team of specialists from the company is due to go to China next week to press Elin's bids for equipping up to 27 hydro-electric power plants throughout China.

The company's bids are backed by an Austrian export credit to China of Sch 6bn ($283m), agreed last February.

Other Austrian companies, including Voith, Andritz and Voest Alpine, would also be involved, but Elin would be the lead contractor for any deal signed.

The company said yesterday that it hoped to win some of the contracts, although there was strong competition.

"We will be discussing specific projects during the visit next week, but nothing has been decided yet," an official said.

If successful, Elin's bids will give it a welcome boost after recent difficult years in which it suffered considerable losses.

Difficulties at home, with delays and cancellations for some major projects because of environmental opposition, have reduced possibilities on the domestic market and the company has eagerly sought overseas contracts.

The company completed a contract worth about Sch 200m in China last year. Recently, it has signed a contract worth about Sch 450m to supply and install electrical equipment for a hydro-power plant in Indonesia.

Mozambique's guerrilla war has cut a land-locked neighbour's shortest route to the sea

# Transport problems hit Malawi's trade

by Patti Waldmeir, recently in Lilongwe

THE ECONOMY of landlocked Malawi, which is weathering Africa's economic crisis better than most on the continent, is under strain because of serious transport problems which are disrupting trade and putting heavy pressure on the country's balance of payments.

The escalating guerrilla war in neighbouring Mozambique over the past year has severed both the Malawi's traditional lifelines to the sea, leaving the tiny central African country without a rail link to a sea port.

Traditionally, some 90 per cent of Malawi's trade used either the 1,600 km line to the Mozambican port of Beira, or the alternative rail route to the Nacala port in Mozambique, 1,400 km away. By April last year, rebel attacks and deteriorating quality of track had virtually closed both these routes, leaving Malawi dependent for the bulk of its exports and imports on an unreliable and expensive 4,000 k m road and rail route to the South African port of Durban.

The impact of disruptions has reverberated throughout the economy. Import costs have risen, putting a strain on consumers and domestic industry which has also been forced to hold abnormally high inventories of imported goods. Petrol and diesel have periodically been in short supply, with motorists complaining of long queues at petrol stations earlier this year.

The tea and tobacco industries, which provide about 70 per cent of foreign exchange earnings, have seen profitability eroded by the effect of escalating transport costs Malawian auction prices. The sugar industry faces an immediate crisis as world market prices fall below the cost of transporting Malawi's sugar to buyers outside the region.

Overall, Government estimates that the closure of the Beira and Nacala routes is costing the economy some $50m per year in higher import costs and lower export receipts. The Malawi Chamber of Commerce estimates that transportation costs for most commodities are now as much as three times their former levels.

Tobacco, Malawi's number one export crop, now costs kawacha 0.40 (20p) per kilogramme to transport to Durban compared with kwacha 0.15-0.16 (7.5p to 8p) per kg to Nacala.

Deliveries of fertiliser, crucial to the agricultural sector which contributes about 40 per cent of GDP and 90 per cent of exports, have often been delayed by uncertain transport while the cost of transporting fertiliser has risen more than fourfold.

Hopes that the Nkomati accord between Mozambique and Southern Africa last year might reduce attacks by South African-backed Renamo guerrillas in Mozambique have fallen flat; rebel activity continues to escalate, leaving Mozambique with no choice but to plan long-term transport alternatives.

Businessmen and diplomats say the Government has acted promptly to ease bottlenecks. Construction of a link road through northern Malawi to the Tazara rail line in Tanzania has opened up a new northern transport corridor to the port of Dar es Salaam which trims about 2,000 km off the trip to the sea; although many exporters and importers are worried by the notorious inefficiences of both the port and rail line.

Plans are in hand to build up a domestic road transport fleet (Malawi now relies almost entirely on foreign hauliers) with the help of foreign aid funds and foreign private capital.

Petrol storage facilities within the country are also being improved.

At the moment, however, Malawi is dependent for the bulk of imports and exports on two alternative routes to Durban: by road to either Harare in Zimbabwe or Lusaka, Zambia and onward by rail to the port. However the road route to Harare through Tete in Mozambique continues under rebel attack despite the fact that it is guarded by the Zimbabwean army; delays are common on the Zambian route, where economic recession has led to a shortage of lorries and locomotive power.

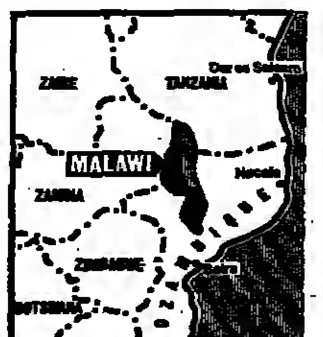
Malawi's sugar industry, the country's third largest foreign exchange earner, has been hardest hit by the disruption. Jointly owned by the Lonrho Group of the UK and the Malawi Government, the industry has seen transport costs increase beyond the depressed world market price for sugar, making it uneconomic for the country to export outside its limited quota markets in the U.S. and EEC.

By the end of last year, about 131,000 tonnes of sugar were held in stock (total production in 1984 was 156,000 tonnes) and the country's second largest sugar estate, the kwacha 70m (£35m) Dwangwa project has been unable to service its debts.

Tobacco industry officials say high transport costs have put a heavy burden on their finances, when the world market is relatively weak and when many estates are still burdened by heavy debts from the 1970s.

Even the tea industry, which enjoyed its best-ever year last year with receipts doubling due to high world prices, is under pressure.

Near-term prospects for reopening the Nacala and Beira lines appear bleak, as guerrilla attacks have recently halted improvement work on the container terminal at Nacala, and the security situation threatens to interrupt the $200m (£164m) rehabilitation of the rail line to Nacala as well.




The Tanzanian government plans to reinforce the Iitama Bridge over the Kiwiri River to provide a temporary alternative to the Ibanda Bridge across the Songwe River, damaged by heavy flooding in mid-April, according to officials in Dar-es-Salaam.

Ibanda Bridge, on the Malawi-Tanzania road which gives Malawi access to the Tanzania-Zambia railway and the port of Dar-es-Salaam, was opened last year and provides an alternative to the longer southern route to South African ports.

Since the flooding, goods have been held up at the Tanzanian rail town of Mbeya.

# EEC warns Ottawa over new quotas on beef

BY IVO DAWNAY IN BRUSSELS

FOREIGN MINISTERS of the EEC yesterday warned Ottawa that the Community will press ahead with retaliatory measures against newly-imposed quotas on beef exports to Canada if rapid agreement on increased tonnages is not reached.

The ministers hung back, however, from immediately applying punitive restraints on Canadian sales of a number of products, such as rye whisky and maple syrup.

Negotiations between the Community and Canada have been under way for several weeks and were originally expected to be completed last week. But the Canadian Cabinet was unable to conclude its debate on the issue and has asked for more time.

Ottawa imposed a 2,700-tonne quota on EEC sales—largely from Ireland and Denmark—in January which was rapidly filled.

The revised figure, which is understood to have been informally agreed by both sides prior to official confirmation, is for a 10,600-tonne quota for low grade beef, plus further tonnages for the top grades.

Mr James Kelleher, Canadian Trade Minister, was expected to seek agreement from the Cabinet for a deal yesterday.

# Brussels in fresh plea to U.S. on pipeline steel

BY OUR BRUSSELS CORRESPONDENT

THE EUROPEAN Commission yesterday renewed its appeal to the U.S. Administration to activate "short supply" rules allowing Community producers to meet a shortfall in special tubes needed by the All American Pipeline Company.

The tubes, technically designated X70s, are needed for the company's oil pipeline linking Santa Barbara, California, with Freetown, Texas. Officials in Brussels fear that failure to agree extra supplies from Europe will mean Canadian producers will fill the shortfall.

Under the EEC's steel quota agreements with the U.S., the Community can be allowed to exceed its quota of 7.6 per cent of the market if no U.S. company can fill the order. However, the U.S. Administration must first declare the "short supply" clause applicable.

So far, despite a request by the Community three weeks ago for the clause to be activated, the U.S. has declined to allow extra sales. Yesterday, the Commission wrote to Mr George Shultz, U.S. Secretary of State, urging him to authorise additional tonnages.

Contracts agreed between the EEC producers and the All American Pipeline Company allow the Community to supply 210,000 tonnes for the scheme

# Iran proposes new oil deal with Japan

By Yoko Shibata in Tokyo

IRAN is proposing to sell crude oil under framework agreements with Japanese oil companies and trading houses. Under such arrangements, period and volume are predetermined, but delivery dates can be fixed at the buyer's discretion.

The new proposal, which is more flexible than existing deals, is the first of its kind to be offered by a member of the Organisation of Petroleum Exporting Countries (Opec).

The proposal for framework agreements was made during recent talks in Japan.

*Notice of Redemption*

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of June 1, 1971, under which the above designated Debentures were issued, Citibank, N.A., (formerly First National City Bank), as Trustee, has selected for redemption through the operation of the Sinking Fund, on June 1, 1985 (the "redemption date") at 100% of the principal amount thereof (the "redemption price"), together with accrued interest to the redemption date, $1,280,000 principal amount of said Debentures bearing the following distinctive numbers:

$1000 COUPON DEBENTURES BEARING THE PREFIX LETTER M

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 44 | 4087 | 5445 | 6370 | 8262 | 8688 | 9119 | 9419 | 10132 | 10536 | 11226 | 11798 | 12367 | 13169 | 14133 | 14530 |
| 165 | 4099 | 5466 | 6371 | 8264 | 8690 | 9121 | 9424 | 10133 | 10545 | 11227 | 11803 | 12431 | 13170 | 14136 | 14531 |
| 243 | 4100 | 5467 | 6374 | 8268 | 8692 | 9122 | 9426 | 10136 | 10546 | 11228 | 11806 | 12440 | 13176 | 14137 | 14532 |
| 284 | 4105 | 5473 | 6398 | 8277 | 8693 | 9126 | 9434 | 10137 | 10554 | 11229 | 11808 | 12441 | 13177 | 14139 | 14534 |
| 342 | 4108 | 5487 | 6400 | 8280 | 8694 | 9127 | 9437 | 10143 | 10581 | 11234 | 11810 | 12442 | 13179 | 14140 | 14537 |
| 343 | 4120 | 5491 | 6407 | 8282 | 8697 | 9128 | 9451 | 10188 | 10584 | 11236 | 11811 | 12445 | 13187 | 14141 | 14539 |
| 346 | 4124 | 5492 | 6415 | 8288 | 8750 | 9129 | 9453 | 10189 | 10585 | 11249 | 11813 | 12451 | 13195 | 14142 | 14542 |
| 371 | 4130 | 5496 | 6417 | 8290 | 8751 | 9130 | 9458 | 10190 | 10586 | 11253 | 11814 | 12454 | 13199 | 14143 | 14543 |
| 379 | 4131 | 5497 | 6418 | 8292 | 8775 | 9131 | 9460 | 10192 | 10587 | 11256 | 11821 | 12456 | 13203 | 14146 | 14544 |
| 384 | 4137 | 5498 | 6420 | 8300 | 8780 | 9137 | 9462 | 10193 | 10589 | 11258 | 11823 | 12476 | 13205 | 14153 | 14556 |
| 394 | 4138 | 5500 | 6443 | 8301 | 8782 | 9138 | 9463 | 10199 | 10594 | 11259 | 11828 | 12477 | 13207 | 14164 | 14558 |
| 395 | 4144 | 5507 | 6451 | 8303 | 8788 | 9140 | 9466 | 10213 | 10595 | 11266 | 11829 | 12478 | 13225 | 14166 | 14563 |
| 403 | 4149 | 5550 | 6476 | 8306 | 8807 | 9141 | 9483 | 10219 | 10597 | 11267 | 11832 | 12485 | 13235 | 14167 | 14567 |
| 410 | 4151 | 5551 | 7129 | 8307 | 8808 | 9144 | 9485 | 10222 | 10605 | 11270 | 11839 | 12487 | 13237 | 14168 | 14569 |
| 416 | 4157 | 5552 | 7209 | 8312 | 8823 | 9150 | 9496 | 10228 | 10620 | 11288 | 11844 | 12489 | 13239 | 14182 | 14576 |
| 420 | 4158 | 5553 | 7216 | 8322 | 8825 | 9159 | 9500 | 10230 | 10628 | 11290 | 11849 | 12497 | 13241 | 14186 | 14579 |
| 423 | 4159 | 5560 | 7219 | 8323 | 8827 | 9166 | 9501 | 10233 | 10630 | 11292 | 11852 | 12501 | 13242 | 14190 | 14582 |
| 428 | 4163 | 5562 | 7462 | 8324 | 8828 | 9175 | 9503 | 10234 | 10797 | 11346 | 11859 | 12503 | 13244 | 14197 | 14598 |
| 450 | 4164 | 5565 | 7464 | 8327 | 8829 | 9190 | 9505 | 10235 | 10804 | 11352 | 11870 | 12506 | 13249 | 14199 | 14669 |
| 460 | 4165 | 5566 | 7465 | 8329 | 8830 | 9191 | 9511 | 10243 | 10805 | 11354 | 11874 | 12511 | 13255 | 14207 | 14670 |
| 951 | 4167 | 5568 | 7466 | 8331 | 8842 | 9194 | 9519 | 10244 | 10810 | 11355 | 11876 | 12514 | 13260 | 14210 | 14671 |
| 964 | 4173 | 5584 | 7467 | 8332 | 8853 | 9196 | 9526 | 10252 | 10813 | 11356 | 11879 | 12522 | 13267 | 14211 | 14681 |
| 1046 | 4264 | 5585 | 7468 | 8334 | 8854 | 9201 | 9527 | 10253 | 10819 | 11357 | 11880 | 12526 | 13270 | 14212 | 14689 |
| 1172 | 4804 | 5589 | 7475 | 8342 | 8856 | 9202 | 9529 | 10255 | 10821 | 11359 | 11885 | 12527 | 13271 | 14218 | 14692 |
| 1186 | 4805 | 5591 | 7484 | 8343 | 8861 | 9203 | 9539 | 10266 | 10839 | 11360 | 11886 | 12528 | 13272 | 14222 | 14693 |
| 1213 | 4831 | 5593 | 7494 | 8344 | 8862 | 9204 | 9540 | 10269 | 10841 | 11362 | 11888 | 12531 | 13273 | 14223 | 14694 |
| 1455 | 4833 | 5596 | 7518 | 8346 | 8863 | 9206 | 9545 | 10334 | 10861 | 11365 | 11891 | 12532 | 13278 | 14226 | 14695 |
| 1456 | 4841 | 5597 | 7527 | 8347 | 8866 | 9210 | 9561 | 10335 | 10862 | 11367 | 11893 | 12534 | 13281 | 14227 | 14696 |
| 1537 | 4844 | 5599 | 7528 | 8348 | 8867 | 9212 | 9576 | 10337 | 10867 | 11371 | 11906 | 12536 | 13286 | 14232 | 14697 |
| 1555 | 4866 | 5602 | 7529 | 8350 | 8869 | 9213 | 9578 | 10341 | 10886 | 11372 | 11912 | 12540 | 13294 | 14240 | 14702 |
| 1586 | 4998 | 5603 | 7530 | 8351 | 8892 | 9214 | 9579 | 10348 | 10888 | 11373 | 11920 | 12544 | 13297 | 14246 | 14704 |
| 1587 | 4999 | 5606 | 7531 | 8352 | 8896 | 9216 | 9612 | 10358 | 10895 | 11383 | 11925 | 12545 | 13298 | 14250 | 14705 |
| 1588 | 5003 | 5607 | 7532 | 8353 | 8898 | 9220 | 9616 | 10360 | 10897 | 11392 | 11976 | 12546 | 13867 | 14253 | 14706 |
| 1589 | 5006 | 5608 | 7550 | 8354 | 8905 | 9221 | 9626 | 10366 | 10898 | 11393 | 11996 | 12550 | 13868 | 14258 | 14714 |
| 1594 | 5014 | 5610 | 7551 | 8355 | 8924 | 9223 | 9627 | 10375 | 10902 | 11400 | 12006 | 12568 | 13869 | 14265 | 14716 |
| 1595 | 5017 | 5645 | 7552 | 8356 | 8925 | 9237 | 9629 | 10379 | 10908 | 11468 | 12012 | 12572 | 13934 | 14266 | 14717 |
| 1598 | 5037 | 5646 | 7554 | 8360 | 8926 | 9242 | 9630 | 10388 | 10909 | 11539 | 12017 | 12612 | 13937 | 14267 | 14724 |
| 1624 | 5043 | 5671 | 7559 | 8363 | 8929 | 9243 | 9722 | 10390 | 10922 | 11540 | 12018 | 12613 | 13945 | 14268 | 14761 |
| 1625 | 5053 | 5677 | 7561 | 8364 | 8932 | 9251 | 9778 | 10395 | 10925 | 11541 | 12020 | 12617 | 13948 | 14275 | 14774 |
| 1719 | 5060 | 5764 | 7572 | 8368 | 8935 | 9252 | 9801 | 10396 | 10939 | 11543 | 12045 | 12622 | 13950 | 14277 | 14775 |
| 1729 | 5068 | 5809 | 7578 | 8369 | 8937 | 9256 | 9805 | 10401 | 10940 | 11552 | 12047 | 12623 | 13954 | 14313 | 14782 |
| 1731 | 5069 | 5818 | 7583 | 8372 | 8938 | 9257 | 9806 | 10406 | 10941 | 11553 | 12048 | 12634 | 13956 | 14321 | 14783 |
| 1841 | 5070 | 5965 | 7585 | 8379 | 8939 | 9265 | 9807 | 10412 | 10943 | 11557 | 12072 | 12635 | 13957 | 14336 | 14784 |
| 2178 | 5076 | 5986 | 7588 | 8388 | 8940 | 9266 | 9812 | 10413 | 10944 | 11577 | 12074 | 12638 | 13960 | 14340 | 14787 |
| 2187 | 5087 | 6064 | 7592 | 8390 | 8941 | 9268 | 9814 | 10414 | 10946 | 11586 | 12079 | 12644 | 13966 | 14342 | 14803 |
| 2202 | 5091 | 6065 | 7594 | 8394 | 8942 | 9291 | 9815 | 10418 | 10947 | 11598 | 12108 | 12645 | 13977 | 14343 | 14828 |
| 2203 | 5104 | 6068 | 7606 | 8395 | 8946 | 9292 | 9816 | 10425 | 10963 | 11605 | 12112 | 12646 | 13984 | 14353 | 14832 |
| 2204 | 5105 | 6089 | 7609 | 8401 | 8957 | 9297 | 9817 | 10426 | 10972 | 11619 | 12152 | 12649 | 13990 | 14359 | 14859 |
| 2242 | 5108 | 6096 | 7712 | 8403 | 8958 | 9298 | 9819 | 10433 | 10985 | 11620 | 12193 | 12650 | 13991 | 14386 | 14869 |
| 2246 | 5119 | 6102 | 7767 | 8414 | 8965 | 9311 | 9821 | 10434 | 10988 | 11621 | 12198 | 12651 | 13992 | 14392 | 14871 |
| 2249 | 5121 | 6105 | 7768 | 8420 | 8970 | 9312 | 9822 | 10435 | 11111 | 11623 | 12200 | 12652 | 13993 | 14401 | 14874 |
| 2257 | 5123 | 6109 | 7782 | 8441 | 8974 | 9313 | 9823 | 10438 | 11112 | 11629 | 12201 | 12653 | 13996 | 14408 | 14877 |
| 2262 | 5124 | 6112 | 7783 | 8463 | 8975 | 9319 | 9830 | 10439 | 11115 | 11659 | 12213 | 12660 | 13999 | 14409 | 14889 |
| 2282 | 5128 | 6124 | 7788 | 8476 | 8978 | 9324 | 9837 | 10443 | 11119 | 11661 | 12223 | 12661 | 14002 | 14411 | 14904 |
| 2284 | 5132 | 6178 | 7796 | 8477 | 8979 | 9331 | 9839 | 10444 | 11120 | 11666 | 12225 | 12662 | 14020 | 14414 | 14912 |
| 2286 | 5136 | 6187 | 7805 | 8478 | 8982 | 9333 | 9842 | 10445 | 11121 | 11675 | 12235 | 12663 | 14021 | 14417 | 14918 |
| 2287 | 5137 | 6190 | 7806 | 8491 | 8983 | 9352 | 9843 | 10447 | 11123 | 11679 | 12236 | 12665 | 14025 | 14420 | 14931 |
| 2290 | 5138 | 6195 | 7807 | 8497 | 8999 | 9356 | 9845 | 10451 | 11133 | 11680 | 12238 | 12667 | 14027 | 14422 | 14932 |
| 2291 | 5224 | 6201 | 7815 | 8518 | 9002 | 9357 | 9861 | 10452 | 11134 | 11681 | 12239 | 12668 | 14028 | 14431 | 14933 |
| 3507 | 5228 | 6221 | 7816 | 8520 | 9008 | 9359 | 9862 | 10454 | 11138 | 11690 | 12240 | 12669 | 14032 | 14445 | 14934 |
| 3508 | 5230 | 6223 | 7817 | 8590 | 9012 | 9369 | 9868 | 10460 | 11140 | 11694 | 12244 | 12673 | 14041 | 14446 | 14937 |
| 3826 | 5264 | 6225 | 7819 | 8598 | 9017 | 9371 | 9869 | 10469 | 11143 | 11701 | 12245 | 12675 | 14047 | 14448 | 14939 |
| 3827 | 5267 | 6268 | 7818 | 8599 | 9018 | 9375 | 9870 | 10470 | 11144 | 11705 | 12247 | 12678 | 14049 | 14450 | 14940 |
| 3831 | 5274 | 6269 | 8055 | 8600 | 9019 | 9378 | 9874 | 10474 | 11145 | 11706 | 12248 | 12679 | 14054 | 14451 | 14941 |
| 3990 | 5277 | 6270 | 8062 | 8608 | 9020 | 9384 | 9875 | 10476 | 11162 | 11707 | 12253 | 12688 | 14056 | 14453 | 14942 |
| 4042 | 5281 | 6271 | 8079 | 8610 | 9025 | 9385 | 9876 | 10480 | 11164 | 11709 | 12255 | 12705 | 14058 | 14455 | 14943 |
| 4053 | 5290 | 6273 | 8083 | 8611 | 9029 | 9386 | 9878 | 10489 | 11166 | 11713 | 12260 | 12708 | 14064 | 14458 | 14944 |
| 4055 | 5306 | 6275 | 8084 | 8630 | 9032 | 9387 | 9889 | 10490 | 11167 | 11725 | 12262 | 12721 | 14068 | 14481 | 14945 |
| 4061 | 5315 | 6281 | 8088 | 8631 | 9042 | 9388 | 9890 | 10496 | 11171 | 11726 | 12263 | 12729 | 14069 | 14482 | 14950 |
| 4065 | 5328 | 6284 | 8089 | 8632 | 9045 | 9389 | 9903 | 10497 | 11172 | 11730 | 12264 | 12821 | 14070 | 14485 | 14952 |
| 4066 | 5352 | 6314 | 8094 | 8636 | 9099 | 9390 | 10057 | 10498 | 11174 | 11731 | 12322 | 12824 | 14073 | 14488 | 14954 |
| 4072 | 5358 | 6336 | 8188 | 8648 | 9103 | 9391 | 10058 | 10503 | 11177 | 11732 | 12323 | 12870 | 14090 | 14494 | 14959 |
| 4073 | 5364 | 6337 | 8219 | 8656 | 9105 | 9393 | 10059 | 10504 | 11182 | 11734 | 12325 | 12871 | 14091 | 14502 | 14960 |
| 4076 | 5388 | 6344 | 8222 | 8661 | 9107 | 9397 | 10063 | 10515 | 11192 | 11739 | 12330 | 12875 | 14092 | 14505 | 14962 |
| 4077 | 5390 | 6345 | 8227 | 8662 | 9109 | 9401 | 10064 | 10520 | 11193 | 11751 | 12334 | 12876 | 14100 | 14507 | 14964 |
| 4078 | 5391 | 6352 | 8232 | 8663 | 9113 | 9403 | 10077 | 10522 | 11205 | 11756 | 12335 | 12883 | 14102 | 14509 | 14966 |
| 4079 | 5413 | 6364 | 8243 | 8665 | 9114 | 9406 | 10078 | 10527 | 11210 | 11758 | 12336 | 12884 | 14105 | 14522 | 14967 |
| 4080 | 5418 | 6366 | 8256 | 8666 | 9115 | 9408 | 10098 | 10528 | 11211 | 11793 | 12339 | 13163 | 14114 | 14524 | 14974 |
| 4081 | 5436 | 6368 | 8258 | 8678 | 9117 | 9415 | 10119 | 10532 | 11221 | 11796 | 12344 | 13164 | 14119 | 14525 | 14978 |
| 4082 | 5440 | 6369 | 8261 | 8687 | 9118 | 9418 | 10127 | 10534 | 11225 | 11797 | 12353 | 13167 | 14125 | 14527 | 15000 |

The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the holder (a) at the Receive and Deliver Window-5th Floor of the Trustee, No. 111 Wall Street, in the Borough of Manhattan, The City of New York, or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London (Citibank House), Milan, Paris, Brussels and Citicorp Bank (Luxembourg) S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City on the redemption date, at the redemption price together with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of the said Debentures with all coupons appertaining thereto maturing after the redemption date, payment will be made at the redemption price out of funds to be deposited with the Trustee.

Coupons due June 1, 1985 should be detached and presented for payment in the usual manner.

PHILIP MORRIS INTERNATIONAL CAPITAL N.V.
By: Citibank, N.A. as Trustee.

NOTICE

Withholding of 20% of gross redemption proceeds of any payment made within the United States is required by the Interest and Dividend Compliance Act of 1983 unless the Paying Agent has the correct tax identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

May 1, 1985

# UK renews credit line for Peking

By Our Trade Editor

BRITAIN has renewed a line of trade credit to China, despite the relative failure of previous offers, in the hope of boosting the UK's minimal share of China's imports.

Lines of credit totalling £300m and $450m (described as "deposit facilities") were signed up yesterday. They are being provided by a group of nine British banks to the Bank of China, and repayment is guaranteed by the Export Credits Guarantee Department.

Britain opened a $1.2bn credit line in 1978, which was twice renewed, but only about a third of the credit was actually taken up, to finance 77 contracts worth some $370m in sales of products such as chemical plant, aeronautical and mining equipment, and knitting machinery.

Officials said it was hoped that the new line would be more successful because China was moving gradually from cash to credit terms.

The new "deposit facilities" are said to be more flexible in that both sterling and dollar credit is being made available.

The loans will be provided at an interest rate of 9.85 per cent, the minimum that must be charged to developing countries such as China under a gentleman's agreement between members of the Organisation for Economic Co-operation and Development (OECD).

The biggest supplier of credit will be the Midland Bank, with £100m and $160m.

The ECGD appears to have plenty of capacity on China and is open for cover on both short- and medium-term business.

It is about to guarantee £300m-£400m of UK credit to finance a long-expected order for GEC to supply turbines and other equipment for a nuclear power station in the southern Chinese province of Guangdong.

## World Bank approves $50m for Tunisia

The World Bank has cleared a $50m (£41m) loan to help Tunisia diversify its manufacturing industries and increase its exports, AP-DJ reports.

The funds will be allocated by three Tunisian development banks to export-orientated industries, while technical assistance will be provided by Compagnie Tunisienne d'Assurance de Commerce Extérieur.

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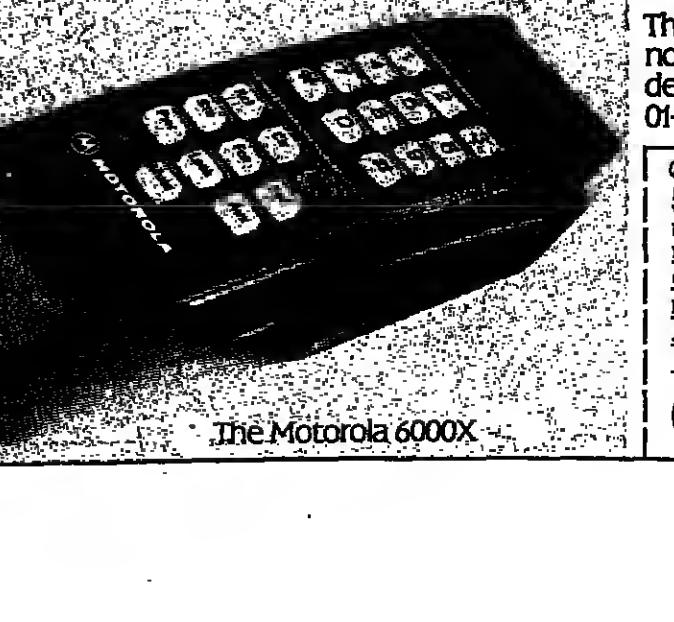

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# Government set for row over profits ruling

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

INDUSTRY is expected to react strongly to a government decision to restrict the increase in profits permitted on non-competitive government work, especially in the defence procurement sector.

A Treasury statement yesterday by Mr Peter Rees, Chief Secretary, said that the new target rate of profit would be 12 per cent on capital employed (on a semi-current cost accounting basis) from today.

This compares with the 11 per cent currently permitted (also on a semi-current cost accounting basis), and the 13 per cent figure recommended recently by the official Review Board for Government Contracts.

The current annual value of Government non-competitive work amounts to about £4.5bn a year, representing about 60 per cent of the Defence Ministry's annual arms and equipment procurement bill.

It has been estimated that had the Review Board's recommendation been accepted fully, it would have added some £50m to the arms bill annually.

The Review Board's 13 per cent recommended rate of return in semi-current cost accounting terms was estimated to be equivalent to a return of 18 per cent in historic cost terms.

Mr Peter Rees

Mr Rees's statement also said that the Government was still examining the question of changes, in the formula governing the ratio of costs of production to capital employed (tha cp/ce ratio).

As a result, the Government had decided for the time being to retain the present ratio of 2.24 to 1, instead of adopting the Review Board's recommendation of increasing it to 2.35 to 1.

The Review Board was set up as the main regulatory body for non-competitive contracts in 1968, following the discovery of what were then described as "runaway profits" in the defence field.

The House of Commons Public Accounts Committee, the all-party parliamentary watchdog on government spending, has been particularly critical of such profits, which it claims industry has enjoyed in recent years.

Earlier this year, the Comptroller and Auditor General, Sir Gordon Downey, criticised such profits, which he estimated had amounted to £300m between 1980 and 1984.

Industry itself, however, has argued strongly that the level of profits on non-competitive Government work has not kept pace with the returns available to companies in the rest of the economy.

*Ivor Owen writes:* The cost in real terms of acquiring the Trident nuclear missile system is, on current estimates, below that envisaged in 1982, Mr Adam Butler, Minister of State for Defence Procurement, told the House of Commons yesterday.

Mr Butler recalled that in 1982 the estimated cost of the Trident system – at September 1981 prices and at an exchange rate of $1.78 to the pound – was £7.5bn.

He explained "statistically this figure is 81 per cent of the latest estimate of £9,285m announced by Michael Heseltine, the Defence Secretary, in January."

**Philip Bassett** assesses the Opposition's moves towards an election compact with the TUC

# Labour and unions plan a new strategy

THE OPPOSITION Labour Party's tentative steps – and tentative they are at present – toward a new compact with the unions have suddenly, after years of often vapid talking, gained a new force for one reason, and one alone.

That is the perceptible belief in the party that there is now a real prospect of what once looked unattainable – a Labour win at the next general election.

From frontbenchers to constituency party activists – and, according to the opinion polls, to voters themselves – this significant switch in feeling is having a corresponding impact on morale. Mr Norman Willis, Trades Union Congress (TUC) general secretary, said in a keynote speech this week, "We are on our way back."

Mr Willis's theme of a new dawn for Labour and the unions echoes a speech last week by Mr Roy Hattersley, the party's deputy leader and economic spokesman. It prefaces the likely tone of an address later this week by Mr Neil Kinnock, the party leader, in his heartland of the Wales TUC.

The basis of this feeling is a belief that, after years of being in the saddle, the Conservative Government is being unseated by the very point which Labour movement activists said publicly would be its undoing, but privately seemed to despair of ever having an impact: unemployment.

The formation last month of the cross-party Employment Institute is only one factor. The Government, partly through its own efforts in what is widely seen as a complacent piece of work, its White Paper (policy statement) on employment, has helped turn the tide.

Previously, evidence of this shift has looked like wishful thinking on the party of Labour leaders. Now the mood is different, supported by hard, concrete work – a programme which has been taking shape since the beginning of the year under the aegis of the TUC-Labour Party liaison committee.

A product of the 1970s, this committee – comprising union leaders, senior figures on Labour's national executive and representatives of the parliamentary Labour Party – has at times looked unhappy in the harsher 1980s, its thoughts unheeded, its pronouncements judged irrelevant in an economy grappling with recession.

In part, this has been an internal problem. If, as some prominent members of the committee suggest, some key labour leaders had not even been reading the committee's documents, then how could it expect others to do so?

With a change in belief in Labour's election prospects, this year's work by the committee has suddenly become imbued with a greater significance.

Mr Norman Willis

Later this month, both the Labour Party executive and the TUC general council will be asked to endorse a revised draft of a paper which lays out the joint strategy for the two wings of the labour movement for the first period of a returned Labour government.

That strategy is both radical, and not new. It seeks a substantial programme of public investment, totalling some £30bn over five years. It wants to give Britain a breathing space, in terms of foreign competitors, to achieve economic expansion; that may mean import controls. It wants modernisation of industry, a new role for public enterprise, better regional planning, more careful skill investment.

It wants a national investment bank to encourage institutions to bring back money they have sent abroad, and a new form of exchange controls if they do not; and it wants a national economic summit to deal with such vexed questions as incomes.

Most of this has been heard before from Labour and the unions. The radicalism lies in a belief that it will or at least might well happen. From that belief comes work to flesh out these policy objectives to form a programme that will be in place before the election.

As a radical strategy, it is not unflawed. For the most part, at present, it has been Labour Party bureaucrat talking to TUC bureaucrat; it needs to be widened. Partly because of that, the feeling on the committee is that some senior Labour figures have not yet fully grasped it. Mr Hattersley is instanced in this regard.

No one believes that the exercise is going to produce a magic figure for pay at which the unions will settle. Given that, the argument is to approach the question of incomes from the standpoint of the component economic parts of inflation: incomes are a factor, but not the sole one.

Although this thinking is at least adroit, it may not, in its current forms, wash with the electorate. But if that is a difficulty, there is a larger one.

Previous compacts between Labour and the unions have always been reciprocal: the unions have accepted some form of economic planning (with the suspicion, mostly proved right, that sooner rather than later this collapses into an incomes policy) for the *quid pro quo* of advances in employment law.

This time, the TUC-Labour exercise is faced with two problems. Firstly, there will not be an incomes policy-style solution offered by the unions; so how – or why – should there be any corresponding move on Labour's side.

Secondly, the TUC is in any case unclear about what it might want on labour law. At some stage, the unions will have to deal with the growing gap between what they say on the issue, and what they do.

Until that is resolved, no one in the TUC or in the Labour Party is giving serious thought to the issue.

Although this is a difficulty, it does emphasise that this year's liaison committee documents are a step towards Labour's eventual election programme. They offer fresh thoughts on unemployment, on wages councils, on unfair dismissal, on the labour market and on the economy. They are not new subjects, but they have been revitalised.

# Housing loans may replace grants

GRANTS FOR home improvements, which cost more than £750m a year, are to be replaced by home improvement loans for all but the poor, in legislation which Mr Patrick Jenkin, Environment Secretary, plans to introduce in the next session of parliament.

His plan is one of several bills in the queue for Cabinet approval and among several important proposals the Environment Department hopes to see included in legisation, among them plans to end the present rates (property tax) system and the removal of private-sector rent contols for new lettings.

A switch to home improvement loans would remove a substantial amount from the public spending totals. In 1983-84 improvement grants cost the Government £933m.

□ MCDONNELL DOUGLAS, the giant U.S. aerospace group, has completed the $12.5m purchase of Applied Research of Cambridge, a small British computer-aided design company.

The two companies stated that the shareholders of Applied Research had approved the deal, which will make the Cambridge concern a division of McDonnell Douglas's information systems groups.

The Cambridge company, formed in 1969 as a result of work in computerised draughting at Cambridge University, sold products worth £6.6m in 1984. Applied Research specialises in computer-aided design systems for the engineering and construction industries.

McDonnell Douglas's information systems group, which already sells the Cambridge company's products in the U.S., reported sales of $887m last year and aims to quadruple this figure by 1990.

□ A PROPOSED merger between two of the largest co-operative bodies in the UK – which would create a retail and manufacturing group with annual sales of more than £3bn – has still not been agreed three years after it was first announced.

The merger between the Co-operative Wholesale Society (CWS) and Co-operative Retail Services was first put forward in 1982 as a means of creating a more effective force in the co-op movement in face of fierce retail competition.

□ ACORN, the troubled home computer group which was rescued by Olivetti earlier this year, has launched a long-awaited enhanced version of the BBC Micro.

The new model – the BBC B Plus – costs £499 and has received a cool reception from some of the leading retail chains which argue that it is too expensive. The B Plus has a larger memory and better facilities than the standard BBC Micro

# 'Broken promise' over state pensions

By Peter Riddell, Political Editor

MRS MARGARET Thatcher, the Prime Minister yesterday came under strong fire in the House of Commons over the proposed shake-up of the social security system which is due to be discussed by the Cabinet tomorrow morning.

Mr Neil Kinnock, the Labour leader, was loudly cheered by his own backbenchers when he accused Mrs Thatcher of "ratting" on election promises about the future of the state earnings related pension scheme (Serps) and of being a "twister."

Later, Mr Bernard Weatherill, the Speaker, said that while robust debate was the system in the Commons, "moderation in our language is essential to civilised debate and I do deprecate words of that kind."

Mr Kinnock agreed that robust exchange was in "the best conventions" of the Commons, while adding that "when the policies that give rise to such language are moderated then the language will be moderated."

Mrs Thatcher deliberately refused to reply to Mr Kinnock's request about the future of Serps. She said that the reviews of pensions, provisions for children, housing benefit and supplementary benefit would be coming before the Cabinet soon, though "it might take more than one meeting to discuss it."

The remaining differences over the estimated costs and savings involved in the phasing out of Serps and its replacement by private pension arrangements were largely settled at a meeting on Monday evening involving Mrs Thatcher, Lord Whitelaw, the Leader of the Lords, Mr Nigel Lawson, the Chancellor, and Mr Norman Fowler, the Social Services Secretary.

Mr Fowler's paper was last night being circulated unchanged around Cabinet ministers. It was pointed out that there were now no problems about figures though it was conceded that the estimate might be open to different interpretations.

Indeed, it appears that the Treasury and the Department of Health and Social Security do retain differing views about the implications of ending Serps. But the Department of Health and Social Security believes that it has made progress in being able to go ahead with its proposals despite last week's reservations from Mr Lawson.

The probability is that the Cabinet will have to have two meetings to discuss the wide range of issues raised by the reviews, even though tomorrow's Cabinet is due to start at the early hour of 9 am. The hope is that the resulting discussion document can be published probably in the third week in May.

# Labour confident

BY PETER RIDDELL, POLITICAL EDITOR

MR NEIL Kinnock, the Labour leader, claimed yesterday that tomorrow's local elections would mark "another landmark" in the party's increasing popularity with voters.

Speaking in London, Mr Kinnock said he was "confident" that we will at least hold our share of the county council vote. We will gain new seats and we will stay in the lead in the counties we won in 1981."

The party also released a Market and Opinion Research International survey taken in early March in the English counties. This gives the Tories 37 per cent, Labour 35 per cent and the Alliance 21 per cent. This compares for example with 48 per cent for the Tories in last year's European elections, nearly 30 per cent for Labour (well up on its 1983 performance) and just under 22 per cent or the Alliance.

The Labour strategy is to concentrate on pushing down the Alliance, vote partly by putting up an increased number of candidates to ensure three cornered fights and thus possibly preventing Liberal or SDP victories, particularly in rural areas.


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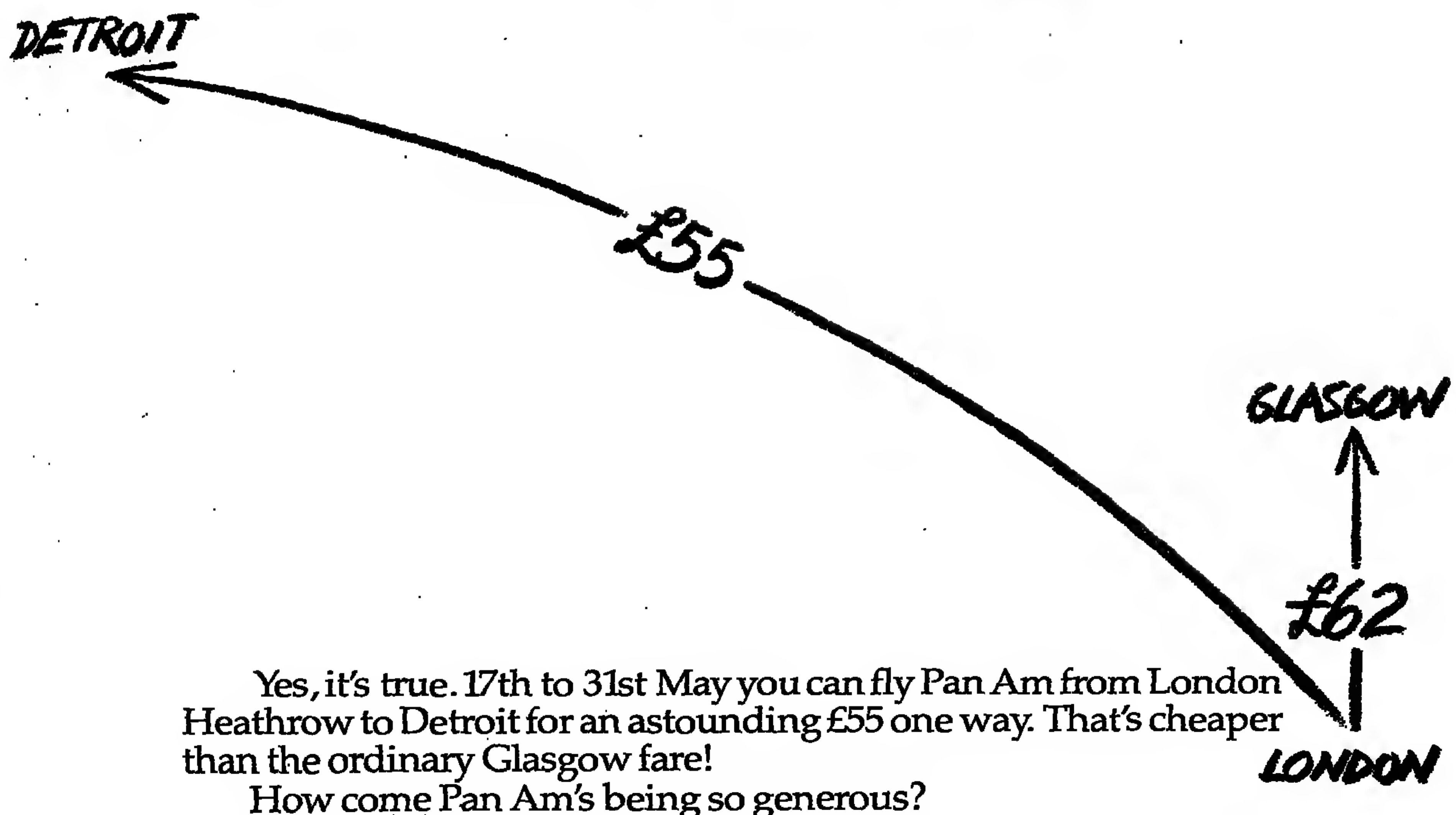


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# Tourism 'a top earner for Britain'

By Arthur Sandles

BRITAIN should earn at least £6bn in foreign currency this year from tourism, now the nation's biggest employer, Mr Duncan Bluck, chairman of both the British Tourist Authority and the English Tourist Board, said yesterday.

The UK earned about £5.4bn last year from a little under 14m overseas visitors. A further £5.65bn was spent by Britons within the UK.

Speaking at a tourism conference in Chester Mr Bluck pointed to the creation of 50,000 new jobs a year by tourism and a return of £178 for every £1 spent by the Government on the industry.

"I can think of no business in Government or out of it which produces a return of this fantastic order," he argued. "We must, therefore, resist misguided efforts to cut back on Government and local authority expenditure on tourism."

Mr Bluck estimated that some 1.3m people relied on tourism for their jobs. "This makes tourism as an industry the biggest single employer."

"Let there be no doubt in anyone's mind, that tourism is Britain's biggest growth industry" he added.

# Pressure group to fight fixed Channel link

BY SUE CAMERON

A CAMPAIGN to stop the building of a fixed link across the English Channel was launched yesterday by a group of ferry companies and other sea interests. They claim that a tunnel or bridge would lose money and would threaten their viability.

The new group – called Flexilink – said proposals for a fixed link were being discussed without any "real debate about the cross-Channel market taking place at all." It added that "vital questions of public interest and safety are being ignored."

Flexilink is planning to lobby the Government and MPs in an effort to halt plans for a tunnel or bridge. The group's members include Dover Harbour Board, European Ferries and its Townsend Thoresen subsidiaries, British Ferries with its Sealink subsidiaries, Hoverspeed and Belgian, Dutch, Danish and French sea service operators. The group is hoping to persuade airlines and airports to join its campaign.

Mr Jonathan Sloggett, chairman of the group, said in London that what was on offer from fixed-link lobbyists was "merely a list of fanciful schemes that demonstrates a total ignorance of the requirements of this demanding market."

Mr Sloggett admitted that the ports and sea service operators which had joined Flexilink had a vested interest. But he insisted that they were not afraid of competing against a Channel tunnel or bridge operator.

"If one of the fixed-link schemes gets off the ground there would be a fierce price war. We are not wishing to claim that all of the present ferry services would survive – some marginal ones would disappear. But we are confident that we would retain enough traffic to ensure that the fixed link did not achieve the revenue it would need to be successful.

"The net effect would be to reduce choice for customers, to concentrate traffic within a very narrow corridor and turn an industry that is currently viable into one that isn't – and that would be true of both the sea services and the fixed-link service," he said.

Mr Sloggett said that competition from sea services would prevent a fixed-link operator from charging the rail fares or road tolls that would be needed to recoup the £4bn to £8bn cost of a fixed link.

# BCal sets sights on share flotation

By Michael Donne, Aerospace Correspondent

SIR ADAM THOMSON, chairman of Caledonian Aviation Group, which includes British Caledonian Airways (BCal), said yesterday that the group was planning a stock market flotation "at a time still to be decided, but certainly within the foreseeable future."

He was commenting on some top-level management changes designed to gear the group for further expansion in the years ahead, after the recent route-swap with British Airways. In that development BCal took over BA's Saudi Arabian routes, while BA took over BCal's South American network. BCal starts its new Gatwick–New York service today.

Mr Alastair Pugh, managing director of British Caledonian, moves up to become an executive vice-chairman of Caledonian Aviation Group and group director of strategy. He is succeeded as managing director of BCal by Mr David Coltman, at present deputy managing director. Mr Trevor Boud, group finance director, also becomes an executive vice-chairman. Sir Adam remains group chairman and chief executive.

The Caledonian Aviation Group comprises BCal itself, British Caledonian Travel Holdings (Blue Sky Holidays, Blue Sky Travel and Jetsave), Caledonian Airmotive, Caledonian Hotel Holdings and BCal Helicopters.

The group is owned privately by banks and other institutions. It has assets of about £250m and capital and reserves of about £89m.

Tha group had earned a record profit of £15.35m in the last financial year, and it was expecting an improved result for the present fiscal year. "Prospects for the group have never been better," he said.

CBI quarterly survey of industrial trends

# Brisk recovery 'should continue'

Report by Max Wilkinson, Economics Correspondent

THE UK ECONOMY should continue its recovery at a brisk pace until at least midsummer, the latest survey of manufacturing industry by the Confederation of British Industry (CBI) suggests.

The Quarterly Industrial Trends Survey of 1,544 companies, published yesterday, shows that demand and output have increased at the fastest pace for 12 months, while optimism about exports has risen strongly.

The survey, conducted early in April, suggests that investment will continue to rise steadily in the next 12 months and that company liquidity will improve.

Employment in manufacturing industry is at last expected to stabilise in the next few months after a long period of decline.

The survey is less optimistic about the prospects for inflation, with some suggestion that average costs per unit of output and domestic prices have been accelerating. But the CBI says that in both cases the increase is expected to be moderate. It suggests that cold weather earlier in the year and the sharp decline in sterling could account for these increases.

Confidence has improved since the last quarterly survey in January, with a percentage balance of 18 per cent saying they were more confident than four months ago. The balance is the percentage reporting an increase minus the percentage reporting a decline.

No sector of industry showed less optimism than it did four months ago. The largest improvement was among smaller companies.

Orders appear to have improved more than expected in February, with a balance of 24 per cent reporting a rise. The CBI says: "This suggests an acceleration of the intake of new orders compared with January, when the balance was 13 per cent."

The improvement in order books was most marked for larger firms and those in the capital goods sector. Order books are the best since 1977, the survey suggests.

Output has also been rising at a faster rate, with a balance of 21 per cent reporting an increase compared with 13 per cent in January. This improvement is about what was expected at the turn of the year.

The survey shows that the trend of improvement in the capital goods sector to be faster than average has been maintained. Larger companies also appear to have been doing particularly well.

In spite of the increase in output, more than half of the companies contacted said that they were working below full capacity.

In the next few months output is expected to continue to rise at a still faster rate, with a balance of 27 per cent expecting an improvement. The survey indicates that the capital goods sector and larger companies will continue to be particularly buoyant.

The survey shows that the largest constraint on output is still lack of orders and sales. Although only 73 per cent of companies cited this factor compared with about 80 per cent in the last three surveys.

Shortages of skilled labour and of plant capacity now appear more of a problem, with shortages of skilled labour cited by 12 per cent of companies as a limiting factor. This is, however, only slightly above the shortages reported in the recession of 1975.

Shortages of plant capacity are affecting 18 per cent of companies, the highest since 1974, and slightly higher than the peak of 16 per cent reached in 1979. The figure is still below the peaks of about 25 per cent reached in earlier economic cycles.

The survey shows little change in the position of stocks, though some small amount of stock-building is indicated for the next four months. In general, companies still consider stocks too high, with only the chemicals industry reporting inadequate stocks.

Companies' investment intentions in the next 12 months appear more buoyant than in January, but not more so than at the beginning of 1984. The capital goods sector continues to show the strongest investment plans and there has been a revival among the large companies.

The majority of companies continue to invest, mainly to increase efficiency and replace outworn plant and machinery – 79 per cent citing efficiency and 45 per cent replacement. The proportion mentioning expansion of capacity as the reason for investing rose again, to 29 per cent, the highest figure since 1979.

Conversely, the proportion saying that fixed capacity was more than adequate has fallen to 24 per cent. Companies also seem to be finding that shortage of internal finance and the cost of finance have become more important in restraining investment, with about 20 per cent citing these factors compared with 6 to 10 per cent in the last survey.

The balance of companies reporting a decline in their workforce in the last four months has fallen in this survey to 5 per cent, while smaller companies continue to report that they employ more people.

The survey suggests that, in the next four months, the total workforce will remain broadly unchanged, although there will be some falls in the larger companies. Half the industrial sectors expect employment to rise in the next 12 months.

Average costs per unit of output rose sharply in the last few months with a balance of 40 per cent reporting an increase, the highest figure since the beginning of 1981.

This is broadly in line with expectations in January, after the steady decline in sterling. An acceleration in the rate of increase in companies' selling prices was also expected then. This survey confirms that this has happened, with a balance of 35 per cent reporting price rises.

Cost and price increases are expected to decelerate during the next four months, with the slowest price increases in the capital goods sector and the fastest among makers of consumer goods and metal manufacturers.

Optimism about export prospects in the next 12 months showed a further increase, with a balance of 20 per cent showing a rise. Although this was slightly less than in the previous surveys, the CBI says it still indicates a substantial improvement.

Export order books are reported above normal, with a balance of 6 per cent reporting this – the strongest result yet recorded. In addition, the balance of 30 per cent reporting an increase in the volume of export orders was a record, with tha rises spread widely over all sectors

In the next four months the rate of increase is expected to moderate, with a balance of 19 per cent predicting rises. The CBI says this is still a high figure by historical standards.

The special six-monthly questions on corporate liquidity show a further increase in the year to April. The balance of 12 per cent reporting an improvement for the period was only half the balance that had expected an improvement. The survey shows a fairly steady rise in liquidity reported since the year ending October 1981.

*Quarterly Industrial Trends Survey No 96 from Confederation of British Industry, Centre Point, 103 New Oxford Street, London WC1A 1DU*

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| 294 | 4948 | 7697 | 8442 | 10141 | 11536 | 11908 | 12290 | 12677 | 13680 | 15808 | 16453 | 17041 | 18385 | 18666 | 19680 |
| 298 | 4954 | 7698 | 8447 | 10164 | 11541 | 11912 | 12294 | 12683 | 13653 | 15810 | 16454 | 17043 | 18398 | 18667 | 19685 |
| 324 | 5240 | 7709 | 8448 | 10173 | 11542 | 11917 | 12296 | 12684 | 13657 | 15811 | 16456 | 17045 | 18348 | 18671 | 19686 |
| 325 | 5243 | 7710 | 8454 | 10174 | 11543 | 11918 | 12309 | 12687 | 13659 | 15813 | 16462 | 17046 | 18348 | 18675 | 19689 |
| 464 | 5247 | 7713 | 8459 | 10181 | 11544 | 11929 | 12320 | 12689 | 13664 | 15818 | 16463 | 17047 | 18350 | 18680 | 19692 |
| 466 | 5253 | 7718 | 8460 | 10185 | 11578 | 11937 | 12324 | 12693 | 13665 | 15821 | 16464 | 17048 | 18361 | 18681 | 19698 |
| 470 | 5467 | 7719 | 8461 | 10186 | 11579 | 11938 | 12331 | 12695 | 13666 | 15823 | 16465 | 17049 | 18365 | 18683 | 19700 |
| 471 | 5469 | 7723 | 8463 | 10191 | 11580 | 11942 | 12336 | 12697 | 13670 | 15838 | 16467 | 17050 | 18367 | 18684 | 19701 |
| 472 | 5808 | 7724 | 8471 | 10192 | 11588 | 11943 | 12337 | 12698 | 13671 | 15843 | 16468 | 17053 | 18371 | 18694 | 19705 |
| 477 | 5859 | 7725 | 8472 | 10201 | 11593 | 11946 | 12345 | 12700 | 13675 | 15844 | 18475 | 17055 | 18379 | 18708 | 19706 |
| 478 | 5860 | 7726 | 8475 | 10202 | 11595 | 11949 | 12348 | 12703 | 13677 | 15847 | 16476 | 17059 | 18386 | 18714 | 19721 |
| 480 | 5865 | 7728 | 8478 | 10206 | 11599 | 11951 | 12352 | 12711 | 13680 | 15853 | 18479 | 17061 | 18387 | 18717 | 19724 |
| 484 | 5868 | 7730 | 8478 | 10208 | 11606 | 11954 | 12353 | 12718 | 13691 | 15854 | 16484 | 17062 | 18388 | 18718 | 19725 |
| 496 | 5873 | 7738 | 8483 | 10213 | 11607 | 11957 | 12356 | 12717 | 13692 | 15855 | 16485 | 17071 | 18391 | 18719 | 19726 |
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| 900 | 5979 | 7744 | 8654 | 10218 | 11618 | 11969 | 12367 | 12723 | 13702 | 15858 | 16500 | 17082 | 18396 | 18732 | 19731 |
| 908 | 5980 | 7750 | 8655 | 10234 | 11620 | 11970 | 12370 | 12731 | 13703 | 15865 | 16501 | 17083 | 18397 | 18739 | 19732 |
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| 929 | 6057 | 7778 | 8659 | 10426 | 11629 | 11974 | 12382 | 12741 | 13706 | 15868 | 16506 | 17086 | 18403 | 18741 | 19738 |
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| 1056 | 6310 | 7980 | 9855 | 10442 | 11648 | 11982 | 12391 | 12750 | 13722 | 15883 | 16513 | 17094 | 18410 | 18750 | 19765 |
| 1057 | 6311 | 7984 | 9856 | 10456 | 11651 | 11985 | 12394 | 12784 | 13723 | 15885 | 16518 | 17096 | 18415 | 18752 | 19769 |
| 1058 | 6312 | 7985 | 9868 | 10461 | 11652 | 11986 | 12395 | 12788 | 13746 | 15887 | 16520 | 17147 | 18423 | 18753 | 19773 |
| 1059 | 6326 | 7986 | 9869 | 10465 | 11653 | 11987 | 12402 | 12906 | 13747 | 15891 | 16540 | 17148 | 18427 | 18754 | 19780 |
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| 1846 | 6332 | 8004 | 9879 | 10479 | 11663 | 11992 | 12421 | 12925 | 13755 | 15896 | 16670 | 17158 | 18457 | 18779 | 19784 |
| 2217 | 6333 | 8153 | 9881 | 10487 | 11669 | 11996 | 12422 | 13091 | 14059 | 15906 | 16676 | 17163 | 18461 | 18784 | 19786 |
| 2219 | 6334 | 8155 | 9897 | 10489 | 11670 | 11997 | 12423 | 13092 | 14060 | 15908 | 16707 | 17171 | 18462 | 18785 | 19788 |
| 2220 | 6343 | 3158 | 9902 | 10493 | 11672 | 11998 | 12424 | 13093 | 14064 | 15909 | 16710 | 17178 | 18470 | 18786 | 19789 |
| 3121 | 6344 | 8165 | 9905 | 10499 | 11675 | 11999 | 12425 | 13098 | 14071 | 15910 | 13713 | 17179 | 18472 | 18737 | 19791 |
| 3168 | 6345 | 3167 | 9906 | 10500 | 11689 | 12002 | 12430 | 13107 | 14072 | 15911 | 16719 | 17180 | 18476 | 18798 | 19795 |
| 3202 | 6351 | 3168 | 9907 | 10501 | 11691 | 12011 | 12437 | 13108 | 14074 | 15812 | 16720 | 17131 | 18477 | 18799 | 19796 |
| 3203 | 6362 | 8169 | 9908 | 10502 | 11699 | 12019 | 12442 | 13109 | 14082 | 15915 | 18729 | 17183 | 18478 | 18803 | 19797 |
| 3204 | 6363 | 8171 | 9909 | 10505 | 11706 | 12028 | 12447 | 13111 | 14087 | 15913 | 16730 | 17188 | 18482 | 18810 | 19802 |
| 3205 | 6384 | 3174 | 9915 | 10507 | 11719 | 12033 | 12451 | 13116 | 14088 | 15817 | 16733 | 17192 | 18489 | 18811 | 19818 |
| 3208 | 6387 | 3180 | 9918 | 10554 | 11720 | 12039 | 12452 | 13125 | 14089 | 15921 | 16734 | 17198 | 18494 | 18818 | 19820 |
| 3209 | 6390 | 8185 | 9936 | 10557 | 11721 | 12040 | 12457 | 13126 | 14090 | 15923 | 18738 | 17200 | 18502 | 18118 | 19829 |
| 3214 | 6419 | 3187 | 9963 | 10559 | 11727 | 12047 | 12459 | 13128 | 14091 | 15929 | 18741 | 17202 | 18503 | 19123 | 19830 |
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| 3228 | 6435 | 8193 | 9974 | 10595 | 11732 | 12050 | 12463 | 13134 | 14097 | 15937 | 16743 | 17204 | 18510 | 19135 | 19833 |
| 3231 | 6438 | 8261 | 9979 | 10660 | 11740 | 12058 | 12474 | 13135 | 14107 | 15939 | 13749 | 17205 | 18512 | 19138 | 19835 |
| 3239 | 6439 | 8263 | 9988 | 10661 | 11743 | 12065 | 12477 | 13137 | 14506 | 15942 | 16753 | 17210 | 18514 | 19140 | 19838 |
| 3240 | 6449 | 8264 | 9985 | 10670 | 11752 | 12066 | 12478 | 13140 | 14507 | 15949 | 16762 | 17217 | 18517 | 19175 | 19839 |
| 3242 | 6461 | 8267 | 9990 | 10671 | 11771 | 12067 | 12479 | 13141 | 14509 | 15952 | 16766 | 17221 | 18523 | 19177 | 19850 |
| 3251 | 6465 | 8270 | 9993 | 11236 | 11772 | 12082 | 12480 | 13148 | 14512 | 15955 | 16769 | 17223 | 18524 | 19180 | 19851 |
| 3294 | 6466 | 8275 | 10002 | 11239 | 11775 | 12083 | 12485 | 13147 | 14513 | 15964 | 16770 | 17224 | 18525 | 19181 | 19857 |
| 3305 | 6467 | 8278 | 10003 | 11240 | 11777 | 12089 | 12490 | 13320 | 14521 | 15965 | 16773 | 17227 | 18529 | 19186 | 19862 |
| 3319 | 6476 | 8279 | 10004 | 11242 | 11778 | 12093 | 12496 | 13325 | 14523 | 15966 | 16776 | 17235 | 18532 | 19190 | 19864 |
| 3317 | 6477 | 8280 | 10005 | 11243 | 11787 | 12095 | 12499 | 13330 | 14525 | 15977 | 18785 | 17236 | 18533 | 19191 | 19867 |
| 3336 | 6478 | 8281 | 10006 | 11247 | 11788 | 12096 | 12500 | 13331 | 14541 | 15979 | 19788 | 17243 | 18536 | 19196 | 19868 |
| 3339 | 6486 | 8282 | 10007 | 11256 | 11800 | 12103 | 12501 | 13333 | 14547 | 15981 | 18787 | 17244 | 18539 | 19197 | 19870 |
| 3343 | 6487 | 8286 | 10008 | 11257 | 11803 | 12105 | 12503 | 13334 | 14543 | 15982 | 16788 | 17245 | 18542 | 19204 | 19873 |
| 3344 | 0491 | 8290 | 10011 | 11263 | 11807 | 12107 | 12505 | 13335 | 14549 | 15983 | 16798 | 17250 | 18545 | 19229 | 19878 |
| 3345 | 6494 | 8291 | 10013 | 11266 | 11810 | 12126 | 12508 | 13341 | 14552 | 15985 | 16799 | 17252 | 18548 | 19235 | 19883 |
| 3349 | 0495 | 8294 | 10026 | 11281 | 11815 | 12137 | 12509 | 13342 | 14567 | 15987 | 16800 | 17254 | 18549 | 19236 | 19887 |
| 3350 | 6562 | 8304 | 10027 | 11290 | 11819 | 12141 | 12510 | 13343 | 14570 | 15988 | 16802 | 17262 | 18551 | 19245 | 19888 |
| 3373 | 6564 | 8305 | 10031 | 11291 | 11319 | 12142 | 12518 | 13344 | 14571 | 16078 | 16803 | 17275 | 18554 | 19309 | 19889 |
| 3375 | 6569 | 8306 | 10032 | 11293 | 11820 | 12149 | 12523 | 13401 | 14578 | 16080 | 16819 | 17273 | 18559 | 19310 | 19893 |
| 3377 | 6570 | 8307 | 10033 | 11294 | 11827 | 12153 | 12531 | 13403 | 14577 | 16081 | 16821 | 17279 | 18560 | 19311 | 19895 |
| 3382 | 6574 | 8308 | 10034 | 11295 | 11829 | 12159 | 12532 | 13404 | 14573 | 16082 | 16825 | 17286 | 18562 | 19313 | 19898 |
| 3383 | 6575 | 8317 | 10035 | 11296 | 11833 | 12160 | 12535 | 13405 | 14583 | 16086 | 16828 | 17289 | 18563 | 19318 | 19899 |
| 3935 | 6576 | 8322 | 10038 | 11297 | 11835 | 12131 | 12536 | 13407 | 14586 | 16091 | 16840 | 18018 | 18564 | 19357 | 19900 |
| 3936 | 6577 | 8325 | 10042 | 11298 | 11836 | 12168 | 12538 | 13409 | 14587 | 16097 | 16843 | 18024 | 18566 | 19359 | 19907 |
| 3946 | 6585 | 8333 | 10045 | 11301 | 11847 | 12178 | 12547 | 13413 | 14592 | 16099 | 16851 | 18027 | 18569 | 19523 | 19909 |
| 3961 | 6587 | 8335 | 10057 | 11304 | 11852 | 12179 | 12548 | 13414 | 14596 | 18103 | 16858 | 18031 | 18571 | 19524 | 19910 |
| 4006 | 6588 | 8343 | 10061 | 11305 | 11853 | 12182 | 12553 | 13503 | 14603 | 16390 | 16864 | 18032 | 18578 | 19525 | 19912 |
| 4007 | 6589 | 8347 | 10062 | 11406 | 11854 | 12183 | 12557 | 13510 | 14607 | 16391 | 16865 | 18040 | 18582 | 19527 | 19913 |
| 4009 | 6593 | 8354 | 10066 | 11409 | 11858 | 12191 | 12563 | 13512 | 14608 | 16395 | 16867 | 18042 | 18586 | 19529 | 19916 |
| 4013 | 6594 | 8359 | 10068 | 11412 | 11861 | 12193 | 12565 | 13513 | 14609 | 16396 | 16869 | 18048 | 18593 | 19530 | 19917 |
| 4039 | 6595 | 8373 | 10087 | 11415 | 11862 | 12196 | 12568 | 13514 | 14911 | 16399 | 16884 | 18049 | 18597 | 19598 | 19926 |
| 4093 | 6596 | 8377 | 10090 | 11419 | 11863 | 12197 | 12573 | 13519 | 14613 | 16402 | 16885 | 18054 | 18601 | 19608 | 19941 |
| 4106 | 6605 | 8380 | 10091 | 11420 | 11864 | 12202 | 12577 | 13517 | 14314 | 16405 | 16891 | 18061 | 18603 | 19610 | 19942 |
| 4108 | 6657 | 8381 | 10092 | 11421 | 11868 | 12214 | 12582 | 13523 | 14620 | 16410 | 16892 | 18067 | 18612 | 19625 | 19946 |
| 4113 | 6658 | 8382 | 10094 | 11423 | 11871 | 12227 | 12638 | 13528 | 14622 | 16411 | 16894 | 18073 | 18613 | 19628 | 19952 |
| 4119 | 6659 | 8383 | 10095 | 11426 | 11873 | 12232 | 12640 | 13547 | 14923 | 16412 | 16895 | 18074 | 18619 | 19630 | 19953 |
| 4499 | 6660 | 8386 | 10100 | 11437 | 11874 | 12245 | 12642 | 13552 | 14626 | 16413 | 16899 | 18077 | 18620 | 19631 | 19989 |
| 4505 | 6661 | 8396 | 10103 | 11503 | 11882 | 12246 | 12645 | 13553 | 14632 | 16415 | 16907 | 18078 | 18621 | 19632 | 19996 |
| 4506 | 6663 | 8399 | 10104 | 11505 | 11884 | 12254 | 12648 | 13558 | 14640 | 16419 | 16911 | 18085 | 18624 | 19633 | |
| 4508 | 6665 | 8409 | 10105 | 11506 | 11887 | 12255 | 12653 | 13560 | 14642 | 16417 | 16913 | 18088 | 18625 | 19640 | |
| 4511 | 6673 | 8411 | 10108 | 11508 | 11888 | 12256 | 12657 | 13562 | 14647 | 16419 | 16915 | 18095 | 18626 | 19643 | |
| 4513 | 6679 | 8414 | 10109 | 11509 | 11892 | 12261 | 12659 | 13563 | 14652 | 16421 | 16917 | 18099 | 18627 | 19645 | |
| 4514 | 7128 | 8418 | 10118 | 11510 | 11893 | 12273 | 12660 | 13565 | 14656 | 10424 | 17011 | 18100 | 18632 | 19651 | |
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| 4521 | 7130 | 8422 | 10120 | 11512 | 11895 | 12279 | 12664 | 13611 | 14665 | 16429 | 17017 | 18108 | 18643 | 19661 | |
| 4522 | 7675 | 8423 | 10121 | 11523 | 11900 | 12280 | 12665 | 13612 | 14667 | 16431 | 17021 | 18326 | 18644 | 19665 | |
| 4919 | 7680 | 8424 | 10134 | 11531 | 11902 | 12281 | 12666 | 13614 | 14669 | 16438 | 17022 | 18327 | 18645 | 19673 | |

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**THE WELLCOME FOUNDATION LIMITED**

May 1, 1985

**By: CITIBANK, N.A., Principal Paying Agent**

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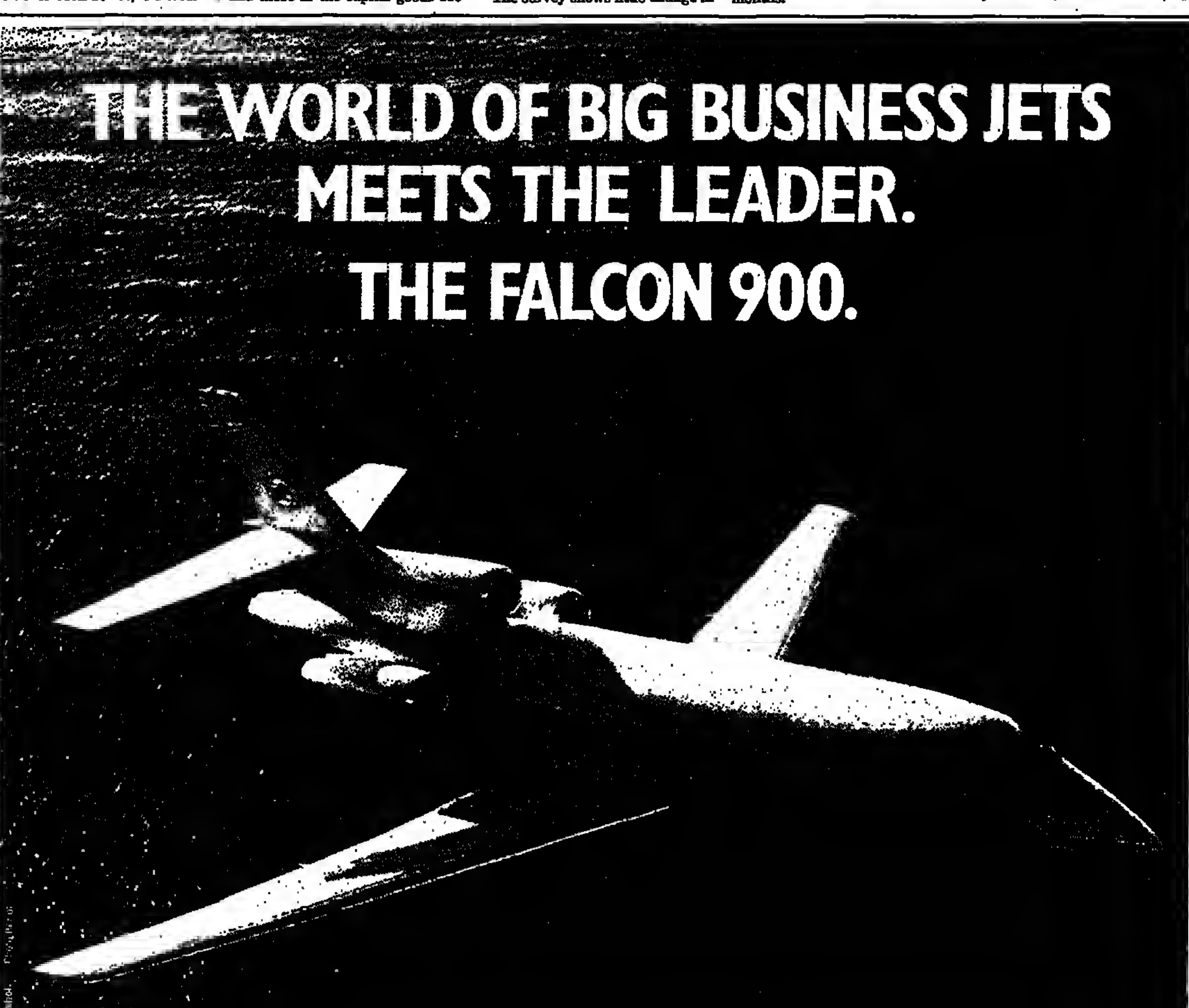


*A Falcon 900 demonstration flight. January 15, 1985.*

The Falcon 900 demonstrates leadership qualities in every important respect. First, it offers an extraordinary level of passenger comfort. All passengers who flew in it are unanimous to praise the quietness and comfort amenities of a very large cabin (2.34 m wide over 10 m long and 1.87 m headroom).

The Falcon 900 is a Leader in performance, too. With an effective range of 7,000 km (carrying 8 passengers and NBAA IFR reserves), it can easily fly from Paris to New York, from London to Abu Dhabi, from Tokyo to Jakarta. And the Falcon 900 can climb directly to 39,000 ft which puts it above international commercial air traffic. The Falcon 900 can cruise at up to Mach .85 (904 km/h) and has been flown at 94% of the speed of sound in test flights.

The Falcon 900 is also the Leader in efficiency. For long range operation, take-off weight is 20 tons, 10 tons less than its closest competitor under the same conditions and with the same payload. Thanks to its latest-generation Garrett engines, its excellent aerodynamics and lighter weight, the Falcon 900's fuel consumption is record-breakingly low: some 1/3 less than the above competitor, whose engine consumes almost as much fuel when idling on the runway as that of the Falcon 900 when cruising at Mach .80.

These figures highlight the sophisticated aerodynamic design of the Falcon 900, utilizing Dassault computer technology developed for the famous Mirage fighters – an experience that's unique among producers of business jets.

The Falcon 900 also scores first for safety. In the unlikely event that one engine should fail, the remaining two can easily supply the requisite thrust and maintain operation of the aircraft's critical systems. This level of security obviously cannot be matched by twin-jet aircraft, either now or in the future, whatever the developments in international regulations.

If you would like to know more about the Falcon 900, please contact us for full information. It will be our pleasure to introduce you to the new Leader in the world of business aviation – the Falcon 900.

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**Business takes off with Falcon**

## UK NEWS

# Fresh row over union activity at GCHQ

By David Brindle

UNION LEADERS have appealed to the Government to delay any disciplinary action against staff who have rejoined unions at the Government's secret GCHQ communication centre.

The Civil Service unions have arranged a meeting with Sir Robert Armstrong, the Cabinet Secretary, on May 9. They have asked him to freeze until then the five-day deadline for disciplinary measures. The Government last year banned union membership at GCHQ on grounds of national security.

The new development came yesterday as the controversy surrounding the re-recruited GCHQ trade unionists grew. The biennial conference at Blackpool of the Civil Service Union (CSU) mandated the union's executive to organise industrial action in support of any member dismissed.

There are said to be seven CSU members who rejoined the union after first agreeing to surrender the right to do so after the ban on unions at GCHQ. Only one is so far known to have been given five days to resign again.

The letter sent to the member Mr Des Quinn, threatens "disciplinary proceedings" in the event of his not meeting the deadline. Some union leaders were yesterday taking comfort from the fact that the letter did not say "disciplinary proceedings not excluding dismissal," which is the normal form if dismissal is contemplated.

Union leaders felt that the Government's attitude towards the 100-plus GCHQ trade unionists, reflected in a recent letter from the Prime Minister to Mr Norman Willis, general secretary of the Trades Union Congress (TUC), was that it did not wish to force confrontation.

Mr Peter Jones, secretary of the council of Civil Service Unions, said the Government would make a "tremendous mistake" if it dismissed any of the re-recruited members.

He said Sir Robert would be pressed to stop any precipitate action. Mr Rodney Bickerstaffe, general secretary of the National Union of Public Employees, said he interpreted the TUC's commitment to a "day of action" in the event of dismissals at GCHQ as a proposal for a 24-hour strike throughout the union movement.

# Britain's gas reserves are uprated by 15%

BY IAN HARGREAVES

A 15 per cent uprating of Britain's estimated gas reserves yesterday came as no surprise, after the indications given by the Government earlier this year when it justified its decision to veto British Gas's proposal $20bn import of Norwegian gas on the strength of increased domestic reserves.

But the picture of Britain's oil and gas industry presented in the latest Department of Energy Brown Book also confirms the less encouraging trend of depleting oil reserves, although the rate of decline in the oil estimates is fractionally lower than in previous years.

Mr Alick Buchanan-Smith, the Energy Minister, described 1984 as "a vintage year" for the oil and gas industry, which in terms of the level of drilling activity, it certainly was.

A record 182 exploration and appraisal wells were drilled, compared with 128 in 1983. Mobile rigs put in a total of 49 rig years, up from 34.2 rig years in 1983.

As a result of this drilling boom, more information became available to the Department of Energy, enabling it to increase the official reserve estimates.

Mr Buchanan-Smith said yesterday that 12 oil companies had increased their estimated gas reserves, contributing to the 6.2 trillion cubic feet (tcf) increase in proven and probable gas reserves.

At 64.6 tcf, proven and probable reserves represent about 28 years of present UK gas consumption. In addition, the Brown Book identifies 22.7 tcf of remaining "possible" reserves. Possible is defined as possessing a significant but less that 50 per cent chance of being technically and economically producible.

Another record set last year was for the number of new oil and gas developments approved – 15 projects were given the go ahead. So far this year, five approvals have been given and Mr Buchanan-Smith expects a total for the year of 20.

The other major point of interest in the Brown Book is its report on the UK offshore supplies industry, which is currently benefiting from a major sales campaign led by Mr Buchanan-Smith and increased pressure on oil companies to buy British.

Mr Buchanan-Smith is going to Houston next week for the Offshore Technology Conference, a major industry convention. He will also call on senior executives of the major oil companies in New York to press his message that more high technology contracts should be placed with British-owned companies.

Last year, according to the Brown Book, £2.65bn or 74 per cent of oil and gas supply contracts were placed in the UK, compared with 72 per cent in 1983. These figures, however, includa orders placed with foreign-owned companies operating in the UK.

# Ford enters talks for supply of engines to other manufacturers

BY JOHN GRIFFITHS

FORD is in detailed negotiations to supply its UK-manufactured car and van diesel engines to other volume vehicle producers in Europe.

At least three manufacturers – one each in the UK, France and West Germany – are understood to be at an advanced stage of oegotiations to take supplies of Ford's 1.6 litre car diesel or the 2.5 litre directly injected van diesel launched in the Transit last year.

One contract, covering a three-year supply period, is understood to be close to signature.

Ford has acknowledged that "discussions" are going on, but has refused to identify any of the other parties involved. Suggestions that Land Rover, BL's four-wheel-drive and vans subsidiary, was a potential recipient were dismissed.

The company acknowledged that the Transit diesel was undergoing in-vehicle assessment. "However, at any one time we have e oumber of engines under assessment in vehicles – you should not read anything into that."

In March, Mr Sam Toy, Ford UK's chairman, said the company was expanding capacity at the car diesels plant at Dagenham by nearly 30 per cent, from 160,000 to 205,000 units a year. About 110,000 of the engines – fitted in the Fiesta, Escort and Orion – were produced last year.

The directly-injected van diesel, which is claimed to be 15 per cent more fuel efficient than e conventional, indirectly-injected unit, is also produced at Dagenham.

Ford produced 24,000 last year and has the capacity to make substantially more. The engine, which replaced the earlier York model, did not come into production until last spring and an industrial version has yet to be launched. Industrial and marine applications accounted for about half of the total output of the York engine.

While Ford has supply agreements with several small specialist car producers, such as Panther and Reliant of the UK, it has not hitherto been involved in supplying complete engines to rival volume manufacturers.

# Sinclair vehicle chief loses job

FINANCIAL TIMES REPORTER

SIR CLIVE SINCLAIR's electric tricycle venture slithered into a further patch of confusion yesterday when the resident production engineer for the project was made redundant.

The tricycle, known as the C5, is made et the Hoover factory at Merthyr Tydfil, South Wales, by Sinclair Vehicles. Yesterday, the company said that the production engineer, Mr Michael Ford-Hutchinsoo, had completed his task of bringing the £399 vehicle into production.

Mr Ford-Hutchinson, one of several former De Lorean executives to join Sinclair Vehicles, said he had not been expecting to lose his job.

His redundancy comes only one week after Sinclair Vehicles said it was cutting output of the C5 to 100 a week – one tenth of the previous level and only 5 per cent of the output originally envisaged of 100,000 units a year.

Sinclair denied that Mr Ford-Hutchinson's departure was linked to poor sales. Since its launch in mid-January this year, 8,500 C5s are claimed to have been sold. The company is understood still to have 3,000 of the machines in stock at Merthyr Tydfil even though they went on sale through 400 retail outlets at the end of March.

Mr Ford-Hutchinson's departure is the latest in a series of controversies concerning the C5. Sir Clive threatened to sue the British Safety Council for defamatioo over remarks it made about the machine's safety just before it was launched. The C5 then met a distinctly lukewarm receptioo from the media and within two weeks Sinclair imposed a blackout on its sales performance.

Sinclair is also having to respond to the Advertising Standards Authority that some of the claims made for the C5 could not be substantiated.

Sinclair's hopes are pinned in particular oo the arrival of good weather to encourage sales of open-topped vehicles and on the development of export markets. A launch in continental Europe is planned for mid-summer.

# Pru enters unit trust market

BY ERIC SHORT AND GEORGE GRAHAM

THE PRUDENTIAL Corporation, Britain's largest life assurance and second largest pensions group with some £2bn of assets under management, is today breaking new ground by launching a unit trust operation selling direct to the public through its countrywide salesforce.

The new subsidiary, Prudential Unit Trust Managers, will operate under the name Holborn – reflecting the location of the Pru in London. Its first products are the Holborn UK Growth Trust and the Holborn High Income Trust.

Until now, the Pru has been involved only in unit trust business in an indirect way as an investment vehicle for its unit-linked life contracts. Now it feels that its main market in the middle income group has tremendous sales potential that has been barely touched by the established unit trust groups.

● Exco International has moved to rebuild the leadership of its subsidiary, Gartmore Investment Management, and to quell fears of an exodus of senior managers.

Mr Adrian Collins resigned last week from his post as managing director, followed swiftly by Mr Peter Rintoul, who was in charge of Gartmore's investment trusts. There has been speculation that others would follow them.

Exco yesterday announced the confirmation of Mr Campbell Allan and Mr Douglas Sarchett as chairman and investment director respectively, and the appointment of Mr Stephen Hinchliffe as managing director in charge of finance and administration.

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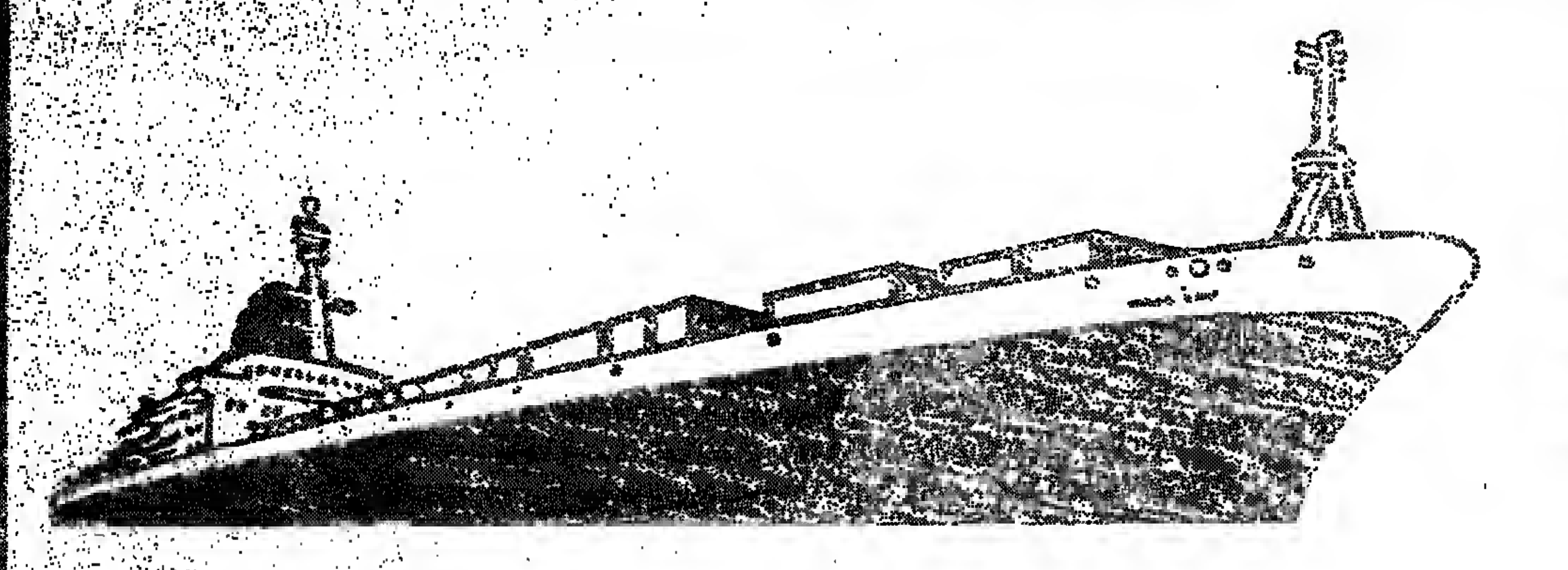

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# THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

**GENEEN believes that communications between head office and the divisions must be as open and direct as possible. Too many companies are run on hierarchical lines. with central bureaucracies remote from what is happening at the sharp end.**

Tha average organisation, and there are bundreds like it including the biggest ones we bave, is set up with e kind of military management structure, which derives from the general and the lientenants and all that stuff down there. And you usually have a guy way the bell up on the 24th floor and he always has a corner office, and all the stuff filters up with everybody practising what I will call corporate survival. They manage to filter it a little bit. ehange it a little bit. By the time it gets there it's supposedly what he wants to hear.

And that's part of wbat's wrong with our set-up. And if you think about it, a military structure is a war structure. The theory of war is to win at any cost. The theory of business is to win at low cost. So it doesn't exactly fit. There's a tendency not to get whet you need down to the bottom.

**In his book Geneen speaks of a "gushing torrent" of information pouring into ITT headquarters every mouth. This material was studied and digested in preparation for the key event of the month, the general management meetings.**

We bad all the stuff come together once a month, and we'd go into a meeting for a week. It's a buge room—a block long and half a block wide. We have 140 people in there. We'd spend a week digging these down to what the real fact were.

Now at that point we were collapsing about four layers of management. Everybody was in the room. I was in the room, the people in-between were in the room. The division people were in the room. The staff people were in the room. And we'd beat out all the problems. And we'd make decisions in five or 10 minutes that would take weeks going up these daisy chains.

And, most important, we wanted the bad news so we could belp. Believe me, the people in a corporation soon learn whether you're after them or whether you're helping them. Our job was to get the problems, and then to see that the people had the support they needed. When they saw that was what you were trying to do, they'd tell you what the bad news was.

**Geneen has very definite views about laug range planning.**

You know, if we had nothing but better earnings for 58 quarters, which is 14 years, we must bave been doing some kind of long-range planning.

I think some of the best long range planning comes out of your immediate problems and opportunities. And it's very practical wben you do it that way. Now that doesn't mean if somebody eomes in and says we ought to buy this company and go in that field that you might not just as we did, take a shot, go in that field. But very seldom if you take ten fellows out of ten different business courses and they sit down in separate rooms, they'll probably all come up with the same place they all ought to go. And if you do tbat, you'll find yourself with ten other companiea going in.

Semiconductors is a good example. Everybody went into semiconductors in the UK; we went in it, Plessey was in it, everybody was in it. So what? Nobody mede any money.

**Tha familiar criticism of ITT is that no single management team, however talented and bard-working, can run so many diverse businesses.**

Can the same team run all these things? Tbe same team cannot and did not run all these things. If we had hotels, we had a hotel guy that was top notch to run the hotels. If we had an electronics company, we had an electronics guy to run it. What we did at the central area was to open things up, get out tha facts, support them, decide with them that they could grow, or what we could add, things like that.

We bought Hartford Insurance Company, a large acquisition. I sat on tbe board for 10 years. I learned a lot about insurance. I certainly wouldn't think I could run it. But I got to know enough, and this was key, to understand what their risks were. So that we could say, yes, we support it.

**There is e view that the stock market forces U.S. companies to pay too mnch attention to the next quarter's results at the expense of long-term development. Are there not advantages in the German system wbereby the banks are the main sources of capital and short-term pressures are less acnte?**

I'm not sure it's good. If I look at Siemens' earnings over the years, they probahly show 3 per cent on sales as their earnings, though I'm sure they have pnt aside a lot of reserves. And I don't think that's much of a stimulation to a management. So if you don't bave the pressures on you to produce and perform, I suspect your management's golng to be a little duller, a little more stratified. You're going to live with things you won't want to live with longer.

There's no reason in my opinion why you can't have short-term performance and do long range planning. They are not mutually exclusive. When I first went into the company (I got in there June 19 1959), they were not going to make the first quarter's earnings, I found out, by a substantial amount. Why? Because everybody was doing "long range planning." And if you spoke to them, they said, well, don't worry about the quartar. Five years from now, four years from now . . . I said to beli with that. I put out a memo: there'll be no more long range planning.

**ITT under Geneen put enormous stress on "the numbers."**

You don't run the company by numbers. What happens is that you have to have orderly plans and we do it for one year, five years out. If you have 250 companies, everybody says I want to do this, I need this much capital. And you add 'em all up, you haven't enough money to take care of it all. So you try to anticipate that in advance.

ITT was not a company, it was a collection of 250 companies added together. So you needed the numbers to have a plan that you knew you could live with.

Now sometimes as you went along, something happens and the expectations are not being borne out. Now why they're not being borne out you don't know.

You then went to that point and it told you how important it was, and where it was. And then you got into what the problem really was. And the problem was never numbers. Tha problem was people, markets, products, all kinds of things came out of that review. That's what yon used the numbers for.

**Was Geneen uniquely qualified tn run ITT, leaving an nrganisation which his successors could not possibly handle?**

I am not a genius, nobody is . . . Some people work hard, aome people don't want to. The one problem with running the kind of programme I described in those meetings, you bad to do your own homework. You couldn't sit in these meetings and respond and understand the risks they were proposing and whether you conld support them, and have the financing and everything, unless you did your homework. So that was a requirement.

What happens is that you learn a little hit this time, next time a little bit more.

And the people out thare kept knowing you were trying to help them. And so they'd tell you the prohlems, and you'd work with them.

Now, we had open communications because we were winning morale. People were growing, they went on from us to be chief executives of othar companies. And these were all the inducements of things that bappened. Does this require any special unique . . . anything? No. First of all, you've got to run it very fair. You can't play politics. In fact the only people I would get rid of without thinking were people who didn't want to work or people who wanted to play politics. Everybody else you try to help through.

I don't think it takes any genius to do it. You've got to do some bomework, and you've got to play it straigbt. And . . . don't forget I was working since I was 16 on the stock exchange. You do acquire a certain amount of experience that helps you intuitively on your judgments, maybe even emotionally. And, sure, somebody ought to bave some of tbat. He just can't come right out of business school. Does that describe a genius? No

**Geneen bad a single-minded dedication to improving earnings per share. Was this at the expense of wider obligations to the community?**

I figure if yon're running a company you've got two or three obligations. One is to your shareholders: that is the ten per cent growth in earnings per share. But you also bave it to the employees. Now, I felt very gratified that in 1974 wben we bad the world crash, we had prohably close to 400,000 employees. I don't think our employment dropped 2 per cent. And that's hecause we were doing our homework at those meetings.

I think my first contribution to the community is to see that we've got an efficient company so the jobs in the damn thing aren't going to be knocked off by some fellow in Korea every other day.

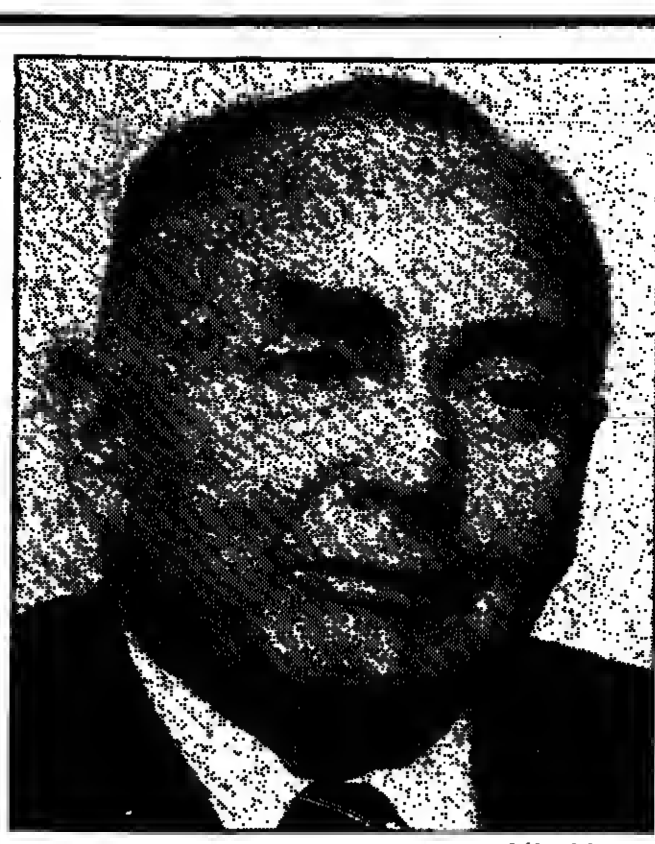
Then the second thing I have seen is that so many people get taken in by their environment, and pretty soon they're what I call statesmen, and they're out giving speeches instead of running the company. And let me tell you, nothing worse happens to a company than wben the guy who's in cbarge and wbo has the final decision, isn't there to make it. Much better that he turns it over to somebody and then goes out making his speeches.

I was on committees to put drop-outs to work for the president, all that kind of stuff. And you did a certain amount but I didn't go seek it to the exclusion of wbat I thonght was my responsibility. Or to put it differently, whatever time I spent doing that, I had to make up at night.

** Managing, Granada £7.95.*

# 'The theory of business is to win at low cost'

**If the era of conglomerates is over, Harold Geneen (right), the creator of the modern ITT, is not aware of it. Since his retirement from ITT in 1979, substantial divestments have taken place, but Geneen still believes his approach to running a large group of businesses is valid and worthy of imitation. In London recently to promote his book,* he talked to Geoffrey Owen**



*Ashley Ashwood*

## BUSINESS PROBLEMS BY OUR LEGAL STAFF

### Compulsory purchase

**Our cafe was subject to a compulsory purchase order. The basis nf the compensation was "vaine to claimant," having lost our livelihood in a long established business.**

**I have been told that this basis is not subject to capital gains tax as the compensation must be a time loss and it seems could be comparable to that of the conrts in assessing damages for loss of future earnings. Does this compensation come under section 19 (5) of Capital Gains Tax Act 1979 and therefore is not chargeable?**

**If it is chargeable, is the sum in question apportioned for tax purposes as it was paid in two separate years?**

**In the event that yon should suggest an accountant, I should add that the accountant we had was vetoed and I would prefer to deal with these questions.**

Unfortunately section 19 (5) doea not cover compulsory purchase. Since you do not wish to seek professional guidanee through the tax maze, you will have to spend an hour or so in a local reference library with, say, the British Encyclopedia or Simon's Taxes. Start by looking et the section III of the CGT Act.

You should ask your tax inspector for the free pamphlet CGTII (CGT and the small businessman).

There is really no detailed guidance which we can give you without more background facts and figures than could conveniently be contained in a letter, we are sorry to say.

### Planning control

**I own a cafe on the roof of which is painted the word CAFE in large letters. The sign has been on the roof since 1933 and has been repainted from time to time. The planning authority bas recently nbjected to this sign and has issued a Magistrates Court summons referring to the sign as an advertisement and ordering its removal.**

**Is the sign an advertisement? Can I be ordered to remove it after more than 50 years?**

You appear to have en established right to maintain the sign since it has heen there for more than 50 years, and any breach of planning control, to be the subject of an enforcement notice, must be a breach effected after the end of 1963.

*No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*

## Business Travel

WATCH for a price and aervice war between car rental companies at London's Heathrow airport. Budget bas taken over the former Swan National slot et the airport with in-terminal desks. Swan, not to be outdone, is eruising the airport with luxury coaches which are fitted with 'phones as well as free hot eoffee on tap. Budget is promising a big campalgn to drum up business, with the Airports Anthority also launching a major publicity effort for all the rental companies. The result could be lower rates and better service all round—temporarily at least.

•

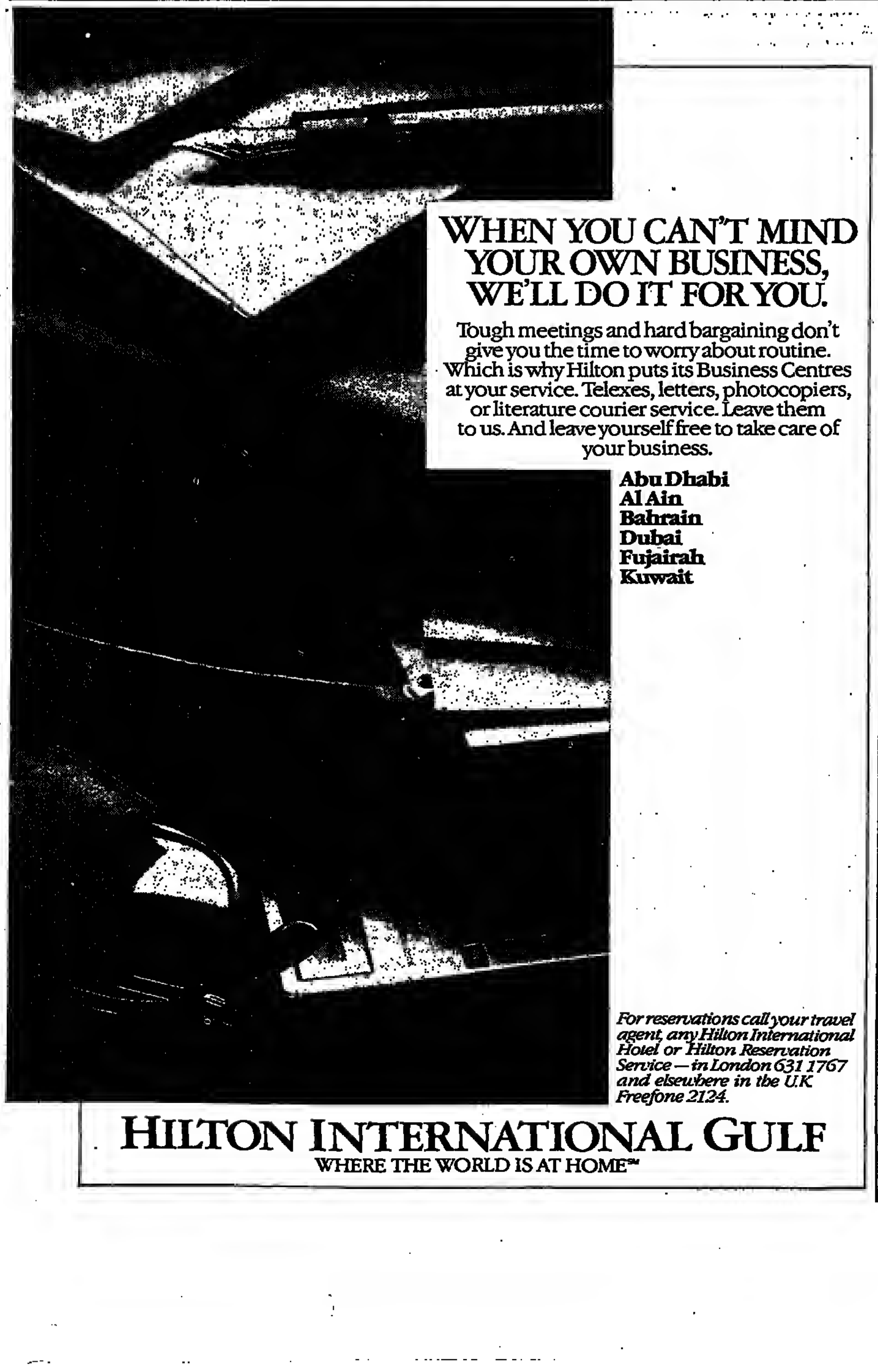
SHANGRI-LA hotels, one of those groups constantly mentioned in "which-is-the-best" arguments over Asian estahlishments, has just opened a property in Kuala Lumpur, the Malaysian capital. There are discounted rates for a sbort opening period. Tha new botel should be seen against a background of increasing competition between Singapore aod Kuala Lumpur to be tha business hub of the region.

•

THE cost of year-round travel insurance for the business person on the move appears to be tumbling. Latest entrant is Accident and General with a Gold Plan policy. It competes with the American Express Centurian scheme which is only availahla to cardhalders and is run by Europ Assistance. The Gold Plan, with different rates for the length of time spent abroad and for UK, worldwide or European cover can be cheaper than the American Express scheme—a basic £35—for those who confine their travel to countries near to the UK. Up to 31 European days would cost £19.50.

The cover is a little different in the two schemes however. Tbe American Express scheme remains the best buy for the frequently globe-trotting occasional skier—winter sports donble the Gold Plan fee.

**Arthur Sandles**

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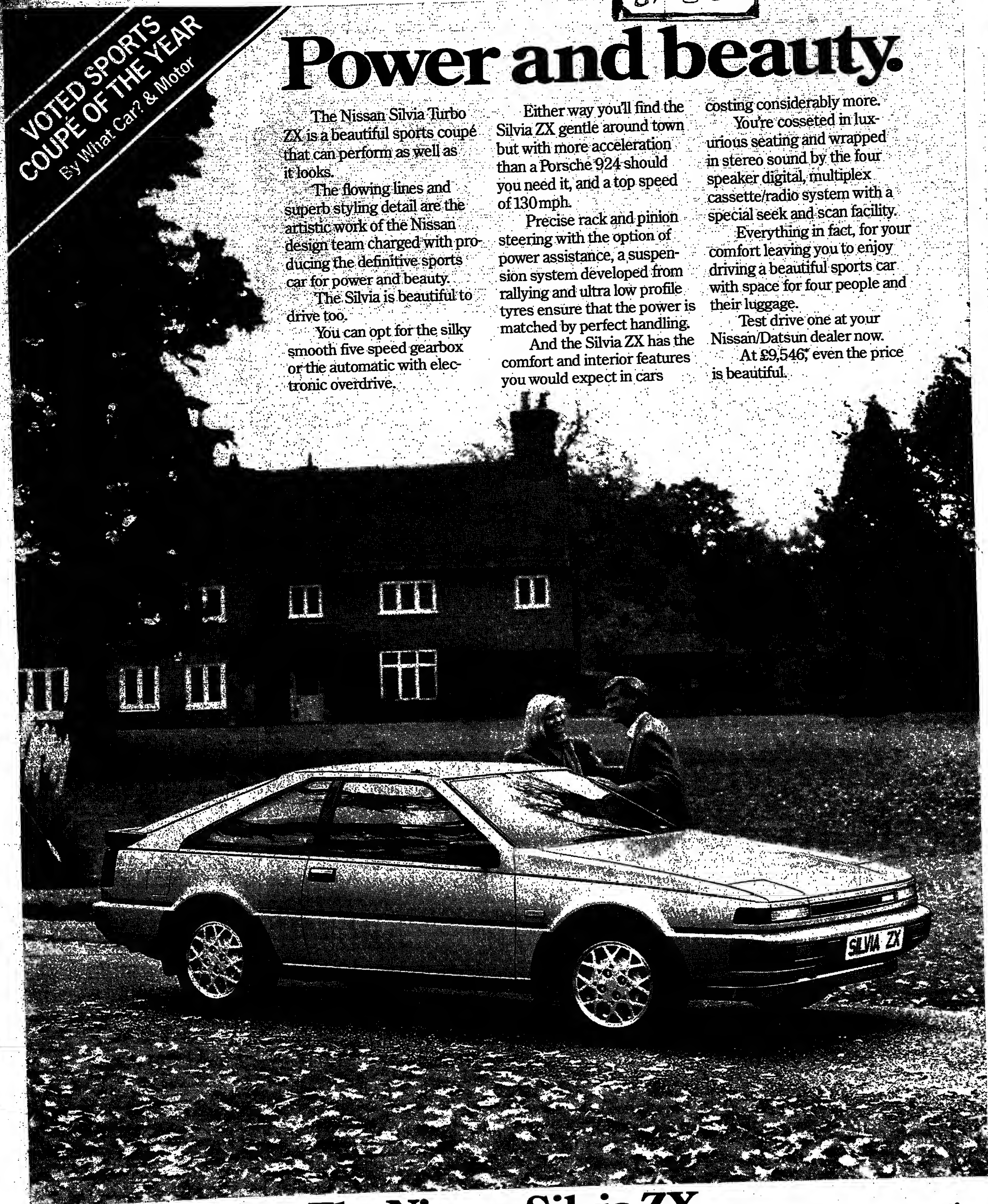


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# THE ARTS

## Television/Christopher Dunkley

# A versified atrocity report, but a plodding vision of hell

What on earth can television do with a play like *Titus Andronicus* (not that there *are* many quite like it) which makes *The Sweeney* look like "Little Red Riding Hood"... though, come to think of it, "Little Red Riding Hood" is pretty horrific. Kenneth Tynan called *Titus Andronicus* "a versified atrocity report" and looking at the plot you see his point: Titus has Tamora's son torn limb from limb to appease the groaning shadows of Rome's dead, the appeasing of ghosts being a major feature of revenge tragedy. In response Tamora's surviving sons not only kill Titus's son-in-law Bassianus, they also take it in turns to rape his daughter Lavinia, and in order to stop her telling they cut out her tongue and chop off her hands.

Furthermore they shift the blame for Bassianus' death to two of Titus' sons and then tell Titus he can save them from execution only by cutting off his own hand and sending it to the emperor. When Titus does so — right there in full view of the audience, this being Elizabethan melodrama, not Greek tragedy — it is sent straight back accompanied by his sons' severed heads. Then things start to get nasty. Titus catches Tamora's sons, strings them up and invites Lavinia (who has been wandering about with blood running out of the ends of her wrists) to help him, telling the miscreants:

"Hark wretches! How I
Mean to martyr you
This one hand yet is left to
Cut your throats whilst that
Lavinia 'tween her stumps
Doth hold the basin that
Receives your guilty blood."

He duly fulfils his promise, dices the lads up finely, bakes them in a pie, and serves it up to their mother at a banquet.

This proves a difficult meal. *Titus tells* Tamora what *she is* eating and kills her, then kills his own daughter ("Because the girl should not survive her shame") and is promptly killed himself by Tamora's husband, who is in turn killed by Lucius, Titus's last surviving son. Lucius is elected emperor and his first act is to have Aaron, the real villain of the piece who planned everything behind the scenes, buried up to his chest and starved to death. Aaron, incidentally, is black.

Perform this plot in modern dress, call it "I Spit On Your Tomb" and issue it as a video-cassette and you would find yourself in court quicker than you could say "Whitehouse." Some modern theatrical productions have cleaned up the action, setting the nastiest parts offstage. But for the final production in the BBC's entire *Shakespeare* canon director Jana Howell and producer Shaun Sutton decided to do it straight, showing everything the *Elizabethans* would have shown.

That was probably the right decision, and the result was an impressive example of this sort of production, "this sort" being a theatrical staging within a television studio, which has been the BBC's practice with most of the plays. At best, with the tomb scenes in *Titus*, the naturalistic look was highly convincing and at worst, with the forest scenes, no amount of murky lighting and tight shot construction could conceal the flatness of the floor or the artificiality of the trees.

To this extent *Titus Andronicus* fairly represented the BBC's entire Shakespeare undertaking. It was workmanlike, it included few contemporary quirks or foibles, the text was paramount, there was no pretentious Freudian or Marxist interpretation. Thanks to this approach the series will doubtless continue to sell world wide for decades. Already 41 countries have agreed to take the entire collection (which is, so far, the only way the BBC will sell it).

The standard reaction to what Clive James called "The Bardathon" is that, if export earnings and student requirements were the two paramount considerations, straight if somewhat unadventurous, unexciting renderings were inevitable. But we should not let the great seven-year venture pass without musing briefly on what might have been. Just supposing there had been one producer instead of three (Cedric Messine, Jonathan Miller and Shaun Sutton)? Just supposing the producer had been encouraged not to go for "theatrical" versions but to exploit all the techniques of the electronic medium to bring Shakespeare to today's British viewing public (and never mind students in Nebraska or Nigeria or where), what might we then have seen?

We have vague ideas from Olivier's cinema version of *Henry V*, Jon Scoffield's 1974 *Antony and Ceoplatra* for ATV, and Trevor Nunn's 1979 *Macbeth* for Thames. Some people may believe that it was because the BBC-Bardathon avoided "experimental" techniques that it confirmed so powerfully the genius of William Shakespeare, a writer whose understanding of human nature has proved so pro*found* as to be timeless. But I believe it was despite avoidance of the experimental: a true *television* Shakespeare might well have made our realisation of his astonishing timelessness even more vivid; his work has so far transcended every successive change in the conventions of presentation, to speak with unique clarity to each new generation. The BBC should have had the courage to go for broke with a real television series.

As it was, the most valuable service was in producing the plays one had never seen before. In my case these included *Henry VIII*, *Richard II* and *The Two Gentlemen Of Verona*; everyone will have a personal list. It would be over-charitable however, to suggest that these sub-theatrical productions offered true substitutes for seeing the plays in a theatre.

Though certainly better than nothing for millions who never get to the theatre, television is an inferior medium for great theatrical drama. Whereas novels of the second rank may actually gain from adaptation to a medium which so favours narrative, plays of the second rank fare even worse than plays of the first rank. In the theatre, even a second rate play can sometimes produce a magical evening, thanks to the alchemy which works between audience and cast. No play on television can benefit in this way.

Without this willing conspiracy a play such as Sartre's "Huis Clos" (which BBC1 bafflingly called *Vicious Circle* is shown up for what it is: a plodding Shavian disputation which needs to be read rather than watched, because virtually nothing happens throughout its 100 minutes. Of course it helps a little to have Jeanne Moreau, Omar Sharif and especially Cherie Lunghi to look at, but the idea that BBC1 should be under some sort of "obligation" to show work of this sort in peak time is paternalistic snobbery.

This particular play takes an inordinately long time to make the point that "hell *is* other people"; the sort of aphorism which Shakespeare would chuck in as a subordinate clause while *saying* something more profound. But even if it had much more *to* tell us it would still be odiously patronising to argue that such work "ought" to be shown on BBC1 in order to catch unawares those who have just been watching Ronnie Corbett in *Sorry!* and those waiting for Esther Rantzen in *That's Life*. This attitude smacks of do-gooders who offer soup to tramps provided they join in the prayer meetings.

Furthermore, in the age of the arm-rest channel changer it is, anyway, little more than an ineffectual nuisance; inertia is rapidly going out of date as the chief tool of the schedule builder. In 1985 the condescending Reithian idea of slipping the audience a cultural Mickey Finn should be abandoned. The controller of BBC1 should no more be expected to put Sartre in his schedules than should the controller of Radio 1. The place for Sartre is BBC2.

*The biggest drama audience* of the week will doubtless be won by ITV's American mini-series *Wallenberg: The Last Hero*. Many will take this as proof of its undemanding nature. Yet judging from previous excellent documentaries about the Swedish diplomat who saved so many Jews from the Nazi gas chambers (documentaries watched by tens of thousands) this glossy entertainment is telling a remarkably accurate story (and conveying it to tens of millions).

It is not Shakespeare, of course (neither is *Titus Andronicus, according* to some scholars), but it *is* made for television. If forced to choose between *Titus* and *Wallenberg* for a television audience unfamiliar with either I would unhesitatingly choose *Wallenberg*: a story more important, less violent, more noble, and infinitely better presented for television.

Brian Protheroe as Saturninus and Eileen Atkins as Tamora in "Titus Andronicus" last Saturday, and Omar Sharif, Jeanne Moreau and Cherie Lunghi in last Sunday's play, "Vicious Circle," by Jean-Paul Sartre

## New arrangement for Ambassadors

The Ambassadors Theatre will be taken over by a new management company from May 18 following the termination of the Theatre of Comedy's agreement with the theatre.

*The newly formed* Ambassadors Management Limited consists of Eddie Kulukundis, John Wallbank, Andre Ptaszynski and Tinker Jay, whose father built the theatre in 1913.

*The policy* of the new company will be to develop the theatre into a West End home for small-scale plays and musicals, with particular emphasis on presenting the comic talent now working on the Fringe.

## Golden Girls/The Pit

**Martin Hoyle**

Louise Paga's women athletes have sprinted into EC2 from leafy Warwickshire; from Stratford's other place to similar studio conditions at the Barbican's Pit. Barry Kyle's RSC production has a suitable team feeling to it. Fine ensemble playing holds the attention of even someone like myself who (unlike Michael Coveney who enthusiastically reviewed the premiere) mistrusts sport and the fanaticism it engenders.

The play depicts pressures working on a group of runners, five women and the one man who for reasons of emotional interest is of the party, as the girls prepare for the relay at the Athens Olympics. Sponsorship, in the form of a *shampoo* firm, adds to such individual problems as the intense urge to win felt by black Dorcas, thumping her chest in near-inarticulate determination as she cries "People will take me very seriously."

The thread of plot is thin. After opening scenes when we see the antipathy between Dorcas and blonde Northerner Sue, trained by her devoted father and living in a caravan to be near the sporting action, the tensions are presumably resolved off-stage; for we quickly see the girls operating as a team with personal clashes ironed out. Similarly, the possessive father is underwritten, as George Raistrick's eminently reasonable performance offers no reason why his daughter (Sarah Berger) should assert her independence later or what indeed she is reacting against. Either Ms Page has left these issues sketchy, a great deal has been cut, or we have to take much on trust.

Further weaknesses include a stereotype hack given to mumbling "I need a scandal for my career" and "nobody knows who I am any more" (come, come, *Ms Page*; you can do better than this); and an under-developed representative of the shampoo firm whom Polly James seems to itch to blow up into fully-fledged satire when the characterisation is not really robust enough. And to have an apparently sensible member of the team trigger the dénouement by confiding her fears about drugs to the muck-raking journalist is simply implausible.

However, disbelief is suspended, sometimes as effortfully as the weights the athletes use in training, thanks to the efficiency of production and performance. Jimmy Yuill's Scots trainer, a former athlete turned paunchy, and Jennifer Piercey's doctor, her ploy at boosting the *girls' confidence going* tragically wrong, are completely believable. Josette Simon's Dorcas starts angry and ends resigned. If I was never *quite* sure of what came between, the fault lies with the author.

## Patricia Rozario/Purcell Room

**Richard Fairman**

The first song of the evening is often so important. For the opening item in this Purcell Room programme Patricia Rozario, one of our most attractive young recitalists, gave us "Care selve" from Handel's *Atalanta* and immediately showed what a good choice she had made: first, because she was clearly at home with it and set the audience at ease; and second, as her exemplary singing of the piece gave a good idea of what was in store.

She is (best of all compliments) a *musician's singer*. Like a well-trained violinist, she tends the vocal line with care, bowing its phrases with a lovely evenness of tone and subtlety of expression. All the senses of pure music are there: the feeling for colour in Schubert's "Schwestergruss" and for harmony in Strauss' "Ich schwebe," its sudden change to C major marked with poetry—though her pianist, and husband, Mark Troop did not always follow her with such eloquence.

In some composers this makes her already very satisfying. Not Granados, which needs more bite; but the simpler Schubert settings and many of her French songs, like Chausson's "Le Colibri," which were exquisite. André Caplet's "Forêt" typically summoned up a Pelléas-like forest of sultry colours and stifling desire with apparently no effort at all. But in others, especially the most challenging, she still has further to go.

Strauss, with his "Befreit," is one such example: this song, enigmatically balanced between joy and despair is a supremely difficult task for the singer and the concentrated *pause* before she began suggested that she realised it too. But her singing, deeply felt as it clearly was, barely hinted at the abyss of feeling that lies beneath its notes. Still, she has time on her side. And with an artist who evidently loves the songs she sings so much, it seems there will be years of pleasure to come.

## Doktor Faust/Teatro Comunale, Bologna

**William Weaver**

Busoni's *Doktor Faust* — even more than the rest of his music — has had an uneven, inadequate performance history. At his death in 1924, the composer had not quite completed the last act. His devoted pupil, Philipp Jarnach, quickly patched together a finale, and the opera's posthumous premiere took place in 1925.

Tranlated into Italian (the half-German Busoni wrote his librettos in his mother's tongue) the opera was not heard in Italy until 1942, at the Maggio musicale in Florence. Since then it has had a handful of productions, in Italy, Germany, and Switzerland; but it has remained very much a "festival opera," a work to be mounted on special gala occasions, usually greeted by respectful acclaim from the critics and by polite yawns from the audience.

Bologna's Teatro Comunale — which has a long tradition of bravery (the first Italian performance of a Wagner opera was given there) has now staged its first *Doktor Faustus*, a production that not only has been hailed with ecstatic reviews but has also been playing to sold-out houses. Perhaps the opera's fortunes *have* taken a new turn.

Part of the opera's new success might be due to the production, which obviously met with the public's approval. Making his opera debut, German film director Werner *(Fitzcarraldo)* Herzog firmly asserted that he belongs to the "ignore the libretto" school. Thus we saw Faust not in his study but, piton in hand, scaling a papier-mâché alp; and the sumptuous gardens of the Duke of Parma were, instead, an Arctic ice-floe where a ship was apparently caught fast. Though perhaps irrelevant, the *sets* and costumes of Hemming von Gierke were handsome and well-executed. But, mostly, the success must have been due to the music itself.

Ahead of his time, for many years Busoni was a cult figure, worshipped by the few, ignored by others, even by performers. Now, the record companies have made him more readily available (there is a fine recording of *Doktor Faust* with Fischer-Dieskau); and musical taste, in general, seems to have caught up with him. His rich, subtle, sometimes spiky score is more accessible, more readily enjoyed.

*The* Bologna orchestra played at its best, and helped clarify the score's felicities, its shimmering textures. Zoltan Pesko's reading was sober, accurate, convincing (it would have profited from a bit of fire occasionally); and the singing was on a high level.

In the title role, James Johnson revealed a warm, flexible baritone; he is no actor (and, like his colleagues, he seemed to have had little help from Herzog, more intent on stage-pictures than on individual characterisation), but he *seems* destined to become an important singer. The same can be said of Sophia Larson, a dramatic, full-voiced Duchess *of Parma. Busoni* wrote the fiendish part of Mephistopheles for a high, but powerful, tenor; Wolfgang Fassler could not meet all the score's demands, but he at least gave a good indication of what Busoni had in mind.

This Bologna production was also of musicological importance. Some years ago Antony Beaumont, the *scholar* and Busoni specialist found some autograph sketches, apparently not known to Jarnach in 1925, that have allowed a new, and more plausible, reconstruction of the unfinished last act. It flowed seamlessly from what preceded it, and the opera's ending was moving and impressive.

At La Scala last week the Handel anniversary was observed, albeit in scaled-down form: a concert version presentation of *Alcina*. Elsewhere in Italy (as Max Loppert has reported in these columns) there *have* been *successful*, fully-staged productions of Handel operas; but La Scala's budget problems apparently forbade anything of the kind.

In the event, the *Alcina* was pleasant, thanks to an array of fine singers (and to the peerless score itself). Andrew Parrott conducted stiffly; but fortunately the individual Scala players—notably the splendid 'cellist Antonio Pocaterra—could, now and then, in their solo passages, infuse the warmth that *Parrott* seemed deliberately to exclude.

In the title role, Luciana Serra was in brilliant voice; her Buggiero was Mimi Lerner, a last-minute replacement, who seemed to grow into the part as the evening progressed and, in the crucial last act, was incisive. Other members of the cast included the crystalline Antonella Bandelli (Morgana), the clear and musical Curtis Rayam (Oronte), and the deep-voiced Bernadette Manca di Nissa (Bradamante).

For a commemoration, this *Alcina* was a bit parsimonious —a marriage-feast with dried figs, the Italians would say—but it was never boring or unenjoyable.

Alastair Muir

Antony Sher as Richard III in the RSC production which transferred from Stratford to the Barbican, London, last night

## Hallé/Festival Hall

**Andrew Clements**

Rossini's *The Journey to Reims* was rescued last year from oblivion and given its first performance this century at the Rossini Festival in Pesaro. It was described here as "a captivating display of science, charm, melodic invention, grace, skill and high spirits," and its overture turned up on Monday in the Festival Hall, to begin the Hallé Orchestra's concert under Stanislaw Skrowaczewski. It proved to be a rudimentary overture even by Rossini's standards—a short slow introduction and a bipartite allegro, each half ending noisily—but packed full of pretty tunes, of the kind which have a tendency to surface in the memory at the most inopportune moments.

The Hallé played it crisply and perkily, as it did the remainder of the programme. Skrowaczewski has drilled his forces well, and in Shostakovich's Tenth Symphony encouraged them to an impressive display of *virtuosity*. Though he rather forced the scherzo so that it emerged manic rather than violently demonic, the remaining movements were highly successful. There is more grimness to be mined from the opening Moderato than allowed here, but the main climax was shattering enough, and the pieces were picked up in carefully sustained paragraphs.

The briskness of much of the symphony came as something of a surprise after Chopin's second piano concerto, in which the conductor indicated a fondness for slower tempi than usual. Perhaps they were favoured by the soloist Emanuel Ax, though he tended to move things along whenever he got the opportunity. Skrowaczewski nevertheless injected a good measure of fire into some of the tuttis, to which Ax's very clean-cut playing made a nice foil. Everything was delicately shaded, but in a way that seemed impersonal, as if the performance was intent to get by on its exemplary good taste.

## Saleroom/Antony Thorncroft

# 20th century treasure

Christies yesterday sold late 19th and 20th century decorative art. The morning session totalled £247,840 with 19 per cent bought in. This relatively high figure was mainly accounted for by the failure of two carpets, designed by Henry Deale for Morris and Co around 1890, to find buyers. They were unsold at £15,000 and £12,000. A third carpet from the same source sold for £21,600. All three had been sent to the auction by the Adelaide Club of Australia who were given them by the original owner, Tom Barr-Smith in 1923.

An oak music cabinet designed in 1898 by C. F. A. Voysey, sold for £32,400 to the Fine Art Society. It was originally made for W. Ward Hughes of Bayswater who also commissioned the famous Kelmscott Cabinet from Voysey. The price was double the pre-sale estimate. In the 1950s the same cabinet had been completely unappreciated and had sold for £50.

A Bauhaus oak lath armchair designed at Weimar in 1924 by Marcel Breuer sold for £22,680. It looks very primitive with strips of stained oak set at right angles, with a brown canvas slung seat, back and shoulder rests, but it is famous in the development of 20th century craft.

A Wakeley and Wheeler silver cup and cover designed by Gleadowe and carved and engraved by Frend in 1935 went for £8,100. The same buyer also paid £6,480 for a "Girl with a Cigarette" bronze and ivory figure cast and carved after a model by Bruno Zack around 1925, and £5,940 for a beach dancer in the same materials by Ferdinand Preiss. A bronze and ivory figure, Starlight, from a model by Chiparos, sold for £7,560.

## André Previn Music Festival

From June 16-30 the Royal Philharmonic Orchestra and its music director Andre Previn will take over both the Royal Festival Hall and the Queen Elizabeth Hall in a series of concerts and recitals featuring leading figures in the field of jazz and entertainment, as well as classical music.

Among the artists performing at the Festival Hall will be Vladimir Ashkenazy, Pinchas Zukerman, Yo Yo Ma, Kyung-Wha Chung, Krystian Zimerman, Dame Janet Baker, Lucia Popp and Thomas Allen; Ravi Shankar will present an evening of Indian Classical Music and from the world of jazz, Ella Fitzgerald, Oscar Peterson and Buddy Rich will appear.

At the Queen Elizabeth Hall Michael Tippett and Yehudi Menuhin will appear with the Yehudi Menuhin School.

# Arts Guide

*Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.*

Apr 26-May 2

## Theatre

### LONDON

**Noises Off** (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

**Starlight Express** (Apollo Victoria): Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg *movie magic, an exciting first half* and a dwindling reliance on indiscriminate rushing around. Disneyland, Star Wars and Cats are all *influences. Pastiche score nods to*wards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

***On Your Toes*** (Palace): Rodgers and Hart's 1936 musical is a genuine tonic. American jazz dance collides with the Ballets Russes. Gems in*clude There's a Small Hotel, Glad* to be Unhappy and the Balanchine ballet for Slaughter on Tenth Avenue. (437 6834).

***42nd Street*** (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's tap-dancing extravaganza has *been rapturously received*. American Clare Leach is a real find as Peggy Sawyer, and Margaret Courtenay has a field day (836 8108).

**Me and My Girl** (Adelphi): Sleek, efficient and enjoyable revival of Britain's biggest war-time musical hit with Robert Lindsay in the Lupino Lane role emerging as the best new musical star since Michael Crawford. (836 7611).

**Other Places** (Duchess): Colin Blakely and Dorothy Tutin in a reassembled trilogy of Pinter plays: A Kind of Alaska in which a victim of sleeping sickness awakes after 29 years; Victoria Station, a funny throw-back to Pinter's early revue sketches; and last year's One for the Road, a chilling piece of intimidatory police state confrontation with first Pinteresque intimations of political despair. (836 8243).

**The Caine Mutiny Court Martial** (Queens): Charlton Heston walks carefully on and off in Herman Wouk's famous courtroom thriller without disturbing too many memories of Bogart on film. In the second *act he even acts a little*, which proves rather more alarming a spectacle than when he is merely heaving himself around in a somnambulist daze. (734 1166).

**The Government Inspector** (Olivier): Striking but unfunny revival with under-equipped TV comic Rik May*all playing the poseur as a shrieking* nose-picker. Richard Eyre's production for the NT lacks either comic tension or true delirium but, with John Gunter's imposing design of *bureaucratic bumf, the show has* a sort of monumental starkness as well as nightmarish tedium. New translation by Adrian Mitchell. (928 2252).

**Barnum** (Victoria Palace): Michael Crawford returns to London with his breathtaking performance as *the circus impresario, adding one or* two new tricks in a likeable meringue of a musical. (834 1317, 828 4735).

***Jumpers*** (Aldwych): Confident almost sober revival of Tom Stoppard's glittering comedy of love, murder and linguistic mayhem among the logical positivists, *with Paul Eddington* a more earth bound George Moore II than was Michael Hordern, Felicity Kendal delightful as his retired musical comedy wife. Peter Wood directs. (836 6404, 379 6233).

**Richard III** (Barbican): Last year's Stratford-upon-Avon production with Antony Sher demonically exciting as Richard in the RSC revival by Bill Alexander. Plays in repertory with Roger Rees as Hamlet and Kenneth Branagh as Henry V. All worth seeing. (628 8795, 638 8891).

### NETHERLANDS

**Amsterdam**, De Stalhouderij (Eerste Bloemdwarsstraat 4). The English-Speaking Theatre of Amsterdam with Krapp's Last Tape by Samuel Beckett. (26 22 82).

**Eindhoven**, Stadsschouwburg. The International Folk Dance Theatre with Masks and myths, an exploration of the use of masks in European culture. (11 11 22).

### NEW YORK

***Cats*** (Winter Garden): Still a sellout. Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and *choreographically feline*, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

***Brighton Beach Memoirs*** (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as *touching childhood reminiscences* now that the Nederlander organisation has generously decided to name the theatre after the generation's outstanding box office draw. (757 8646).

**A Chorus Line** (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

**Strange Interlude** (Nederlander): Glenda Jackson carries on an appreciated tradition of bringing American classics to New York from London in this marathon production in which director Keith Hack wisely makes the asides an integral part of the conversation. *Limited* engagement ends May 5. (921 8000).

**Sunday in the Park with George** (Booth): Inspired by the Seurat painting, Stephen Sondheim fashions a musical with dots and dashes of song that end too soon but work well with Tony Straiges's pretty set and James Lapine's book which changes gears in the second act. (239 6262).

**Noises Off** (Brooks Atkinson): The closest Broadway gets to the British farce tradition is this import of Michael Frayn's funny backstage view of all the slamming doors and dropping drawers. (245 3430).

**La Cage aux Folles** (Palace): With some tuneful Jerry Herman songs, Harvey Fierstein's adaptation of the French film manages, barely, to capture the feel of the sweet and hilarious original between high-kicking and gaudy chorus numbers. (757 2626).

**42nd Street** (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

**Torch Song Trilogy** (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

**Dreamgirls** (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, à la Supremes, without the quality of their music. (239 6200).

**The Real Thing** (Plymouth): After 14 months in London, Tom Stoppard's latest giggle at the English intelligentsia, with a new-found attention to the heart that beats beneath the veneer, directed at a fast clip by Mike Nichols. (239 6200).

### TOKYO

**Barefoot in the Park**: The Japanese version of Neil Simon's play directed by Yutaka Kobayashi. Long Run Theater, Shimokitazawa. (414 0961).

**Cocteau Marais**, a one-man show on the life of Jean Cocteau by Jean Marais (in French) Sogetsu Hall, one of Tokyo's most beautiful buildings, a flower-arranging school designed by architect Tange. (Mon, national holiday, 2pm). (407 8238).

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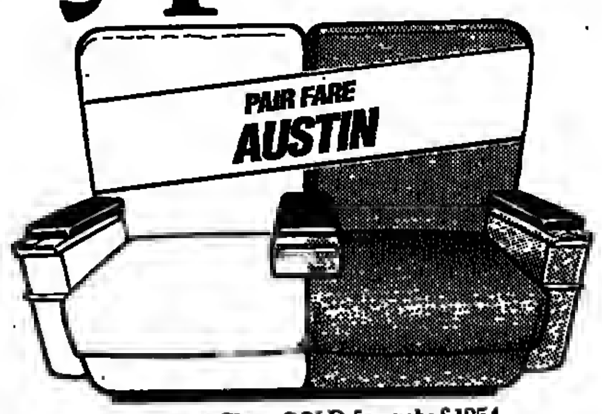

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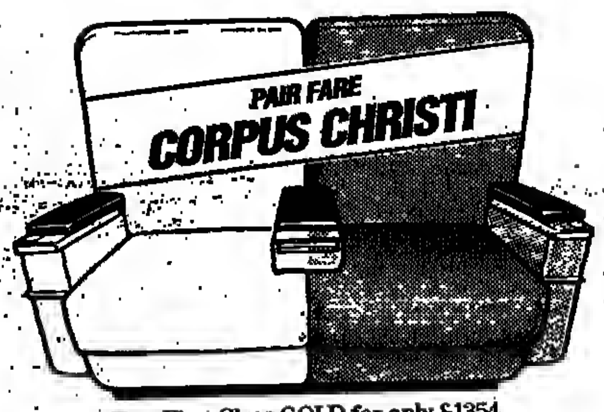

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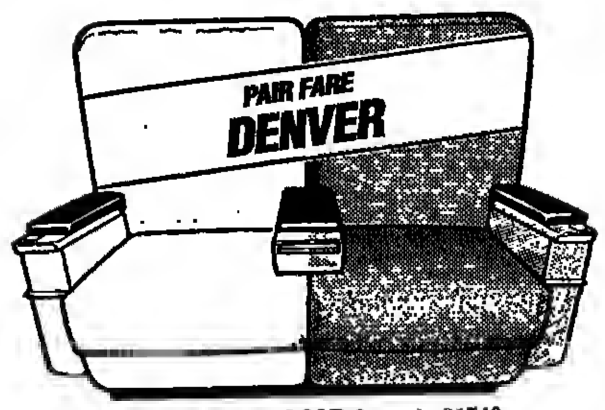

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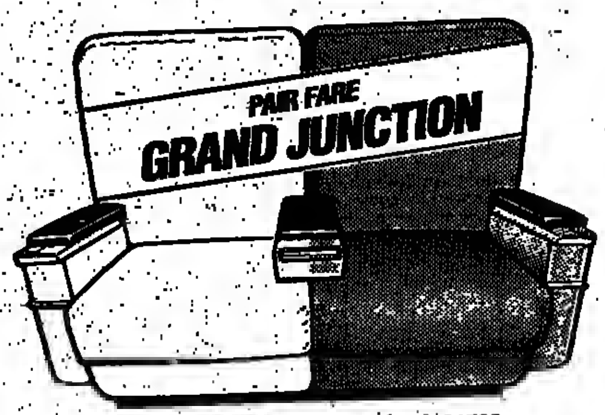

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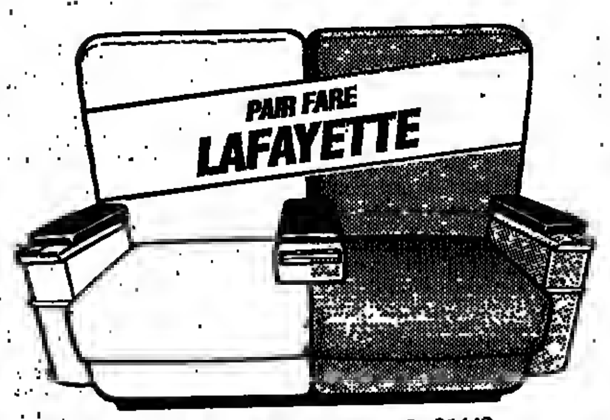

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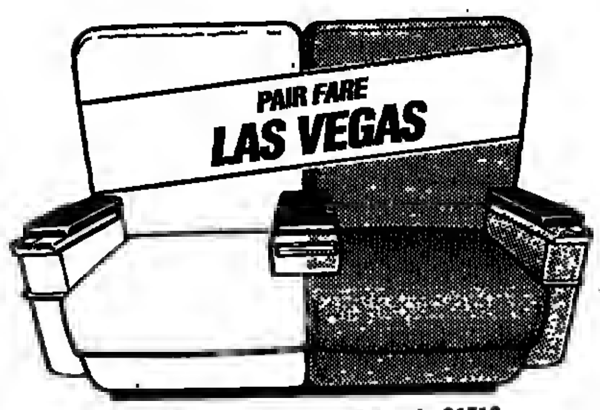

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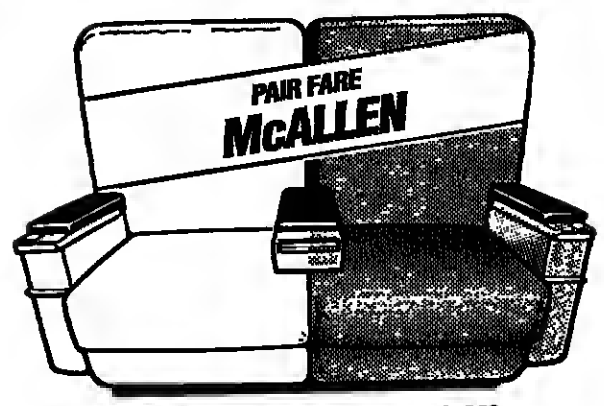

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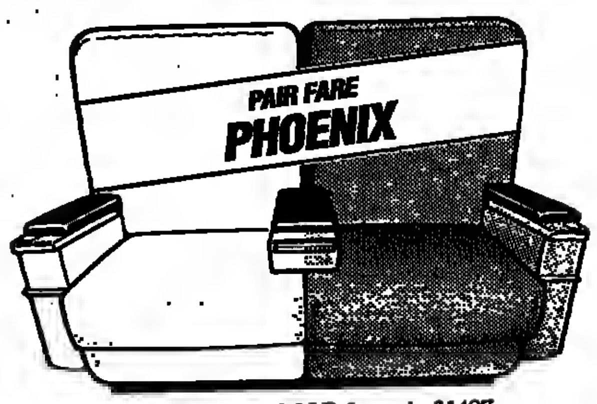

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# Africa at the summit

ECONOMIC summits are supposed to allow the heads of government to take stock of development of the world economy and to return home with at least an up to date context in which to frame their own economic policies.

There has, since the last summit in London, been one major davelopment which they simply cannot ignore in Bonn. This is the emergence in to the consciousness of the West of the disastrous state of tha economies of Africa. The problem has loomed larger as the crisis over the debts of richer developing countries has passed. Africa is this year's challenga to the battered ideal of international economic co-operation.

The statistics behind the images of famine speak for themselves. One-fifth of ali black Africans are malnourished and some three quarters of them are below the World Bank's definition of the poverty line. Economic growth has fallen from an average of around 5 per cent in the mid-seventies to contraction today, and over the same period the external debts of black African countries have risen from one-third of GDP to almost two-thirds. Financial arrears, mainly on trade payments, now exceed $8bn. The International Monetary Fund is facing the unnsual prospect of non-repayment by some black African countries — Sudan, Liberia — which have entered into Fund programmes.

There is no doubt that the prime cause of this state of affairs is economic mismanagement in many of these African nations. But it does not follow that there is nothing useful the summit leaders can say about it. They do not need to commit themselves to immediate new public expenditure, nor to back any hastily cobbled together programme of assistance.

### Mismanagement

What is needed is their endorsement of an approach to the Africa problem which tha World Bank has been working on for some time but which, up till now, has evolved despite rather than because of the attitude of the World Bank's major shareholders. The essence of this epproach is that those African nations willing to draw the right conclusions from their economic failures should be offered the means to get back onto a path of well-founded growth.

For the African countries this means a willingness to reverse biases against agricultural production, at the inevitable expense of their urban populations. It means that they must use scarce public funds to maintain and exploit their existing infrastructures rather than add to them. It means that the know-how and money of foreign investors must be mada as welcome as possible. In general, it means that market forces must be allowed freer rein in setting their prices and exchange rates, at the expense of ubiquitous administration and its ever-attendant corruption.

For the Western countries it means co-ordinating a redirection of their aid away from projects which create jobs at home but are increasingly redundant on the spot, towards balance of payments support conditional upon everything listad above. If possible the U.S. should be brought into the $1.1bn special World Bank Facility for Sub-Saharan Africa: at the very least the efforts of the U.S.'s own $500m Economic Policy Initiative for Africa should be overtly tied in with the World Bank's approach. There may also be a case for arranging for the repayment of the IMF's short term loans to particularly hard-pressed borrowers with money provided by the World Bank through such "structural adjustment lending."

### Initiatives

The summit leaders have a chance here to tap a hoop that is already rolling. Both Fund and Bank point to examples of countries—Ghana, Madagascar, Somalia, Mali — which have achieved results by embracing this type of structural reform. The U.S. shows some signs of moving away from its instinctive antipathy towards the soft loans and structural adjustment lending of the World Bank. Mr James Baker appears to have ushered in a new attitude with his eppointment as U.S. Secretary of the Treasury. President Mitterrand of France recently suggested his own version of en Africa initiative which is worthy of further study.

Economic summits no longer aspire to change the world. But they can and have set processes in motion whose relevance improves with time. The summit impulses behind a Gatt round and studies of the international monetary system are two cases in point. Bonn is unlikely to be remembered for "Locomotive Theory Two" but it could fittingly go down as the place where the industrialised countries forged a joint approech to the economic plight of Africa.

# Awaiting a new Beveridge

MR NORMAN FOWLER'S claim to be the new Beveridge is about to be put to the test. The Social Service Secretary's forthcoming Green Paper on social security reform, the final details of which should be agreed at tomorrow's Cabinet meeting, will show whether Mr Fowler is a radical reformer who will be regarded in decades to come as the architect of Britain's second welfare state or whether he is to be yet another make-do-and-mend tinkerer.

Sir William Beveridge's historic report of 1942 identified five giants on the road to reconstruction: Want, Disease, Ignorance, Squalor and Idleness.

By 1982 many of his objectives had been achieved. Yet the passage of time and the endless tacking on of bits and pieces to the system had made it into a bureaucrat's dream and a benefit recipient's nightmare.

### Controversial

Any reform of so sensitive and important a part of British life is bound to be controversial. Only radical improvement is likely to be worth the rumpus; otherwise the present system might as well be left to creak along. Real political courage is needed.

The key requirements for radical reform are a simpler and fairer system which targets more money to where it is genuinely needed.

Over tha years lessons have been learned that need to be incorporated in any true reform. One is that poverty is most prevalent among families with children: benefits constructed around children do the most good. A second is that universal benefits are so ferociously expensive that they cannot be raised by more than marginal amounts. A third is that cash is a much better weapon against poverty than complicated and contradictory subsidy arrangements. A fourth is that benefits and taxation are all part of the same income jigsaw.

With these fundamentals in mind Mr Fowler should move to merge all the present mish-mash of housing benefits, child benefits, family income supplements and extra child payments within supplementary benefit into a single income support for families, paid at a level to enable families with children to pay their weekly bills without falling into poverty. For the poor without children a straightforward unitary system of income support is needed.

### Safety net

The arguments in favour of universal benefits, including the depressingly cynical view that the prosperous middle classes will support only those benefits for which they also qualify, are far outweighed by the need to provide the very poor with substantially larger amounts of cash. This can only sensibly be done if the payments are restricted and carefully targetted to those truly in need.

This approach would limit the state's role to that of safety net, ensuring as high a level of basic benefits as reasonably possible. Both universal child benefits and the State Earnings Related Pension Scheme, the first vastly expensive and the second potentially so, should be scrapped now and more money recyclad into higher family income guarantees or family credits and into the basic pension. This has to be combined with a carefully constructed taper as income rises above the poverty line, to avoid reducing incentives to work.

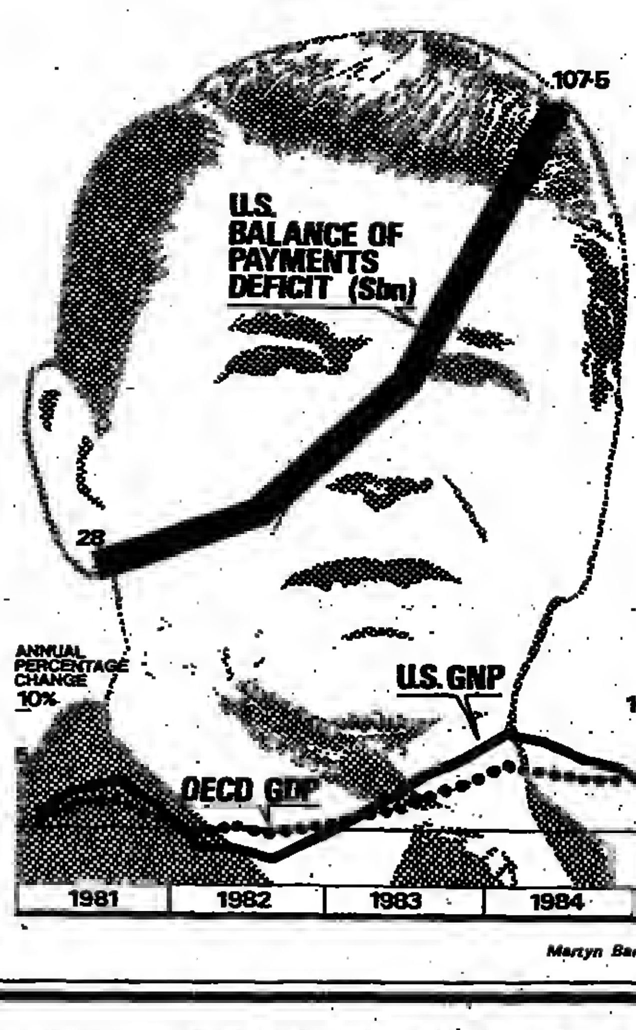
Much of this better targetting of simpler cash benefits implies means testing which is undesirable in so far as people feel stigmatised. But computerisation of the income tax and DHSS systems is nearly complete. Soon the systems could be merged, enabling means testing to occur through some form of positive and negative income tax and benefit credits or a basic income scheme.

These changes can be achieved only with the co-operation of the Chancellor. The Treasury's preoccupation with cutting public expenditure must not be allowed to obstruct sound, long-term reforms.

The economic summit

# Why the President suddenly needs his allies

**Max Wilkinson** in London and **Reginald Dale** in Washington (below) report on the issues which will be debated in Bonn




Martyn Barnes

THE SPECTACLE of Uncle Sam looking a little shaky at the knees is certain to evoke a measure of grim satisfection among European leaders assembling for tha Economic Summit meeting in Bonn tomorrow.

But the temptation to say: "We told you so" will be matched by fears about how the American slowdown could spread to the rest of the world.

That is the delicacy of this Summit, which unlike its immediate predecessors, will present some real opportunities for bargaining among the free world's seven most powerful leaders.

It must be said at once that no specific deals are likely to be struck, as they wera at the last Bonn Summit in 1978. Memories of that ill-fated attempt to hitch policies for growth together, with West Germany as the "locomotive," die hard. That attempt at concerted expansion was associated with a general resurgence of inflation, and Germany was left particularly exposed as other economies lagged behind.

Nevertheless, there is clearly scope for some economic "horse-trading" which could have slow-acting but important consequences for the development of the world economy.

The reason for this is that when Mr Ronald Reagan meets his allies, he will ba as close to the position of a supplicant as a U.S. President can be.

In spita of his stirring words in a television broadcast last week, and generally optimistic talk about world recovery, Mr Reagan betrayed extreme anxiety about the trail of consequences now threatened by the persistent Federal deficit.

After three years of brushing aside European complaints about the strength of the dollar —and even disclaiming interest in the subject—the U.S. Administration finds the issue has boomeranged. There is now clear evidence that the strength of U.S. recovary is being undermined by a flood of imports, while protectionist lobbies are becoming dangarously strident.

So President Reagan suddenly needs his allies, not just for good of the world, but for specific help in defusing the dangers presented by his own Congress.

His new Treasury Secretary, the smooth and intelligent Mr James Baker, was surprisingly frank ebout this in e satellite television news conference with European journalists last week. He said the U.S. needed to return from the summit with a date for e new round of trade talks to start either this year or next.

The Americans may also need help from Europe and Japan to brake the fall of the doliar if its recent and welcome slide should threaten to becoma an avalanche. This will probably be only an after-the-coffee topic between the heads of government, but it is certain to be discused seriously in the less publicised side rooms where finance ministers are in session.

On this topic, also, firm agreement is not to be expected —it will be more a process of osmosis of understanding: that when necessary, European governments will lower interest rates as much as they can to pravent the U.S. Federal Reserve from having to tighten policy unduly. A tacit understanding may also be reached that Europe and Japan would supplement America's very modest foreign exchange reserves, by direct intervention to prop up the dollar.

Although this is as yet only a possibility, the very idea is an ironic contrast with the Administration's refusal until early this year even to consider helping Europe by intervening *against* the dollar.

But now there is e shared perception that, though the dollar must come down to bring the U.S. trade account into better balance, too fast a fall could be disruptive to the world growth (by hitting exports to the U.S.) and inflationary for America.

The problems of the U.S. trade deficit and the dollar are closely allied to tha questions of whether and how Europe and Japan can secure faster growth. President Reagan has persistently claimed that Europe's sluggish performance and Japan'a slowness to admit imports have contributed to the present imbalance at least as much as the deficit-led boom in his own country.

It is at this point that the Europeen leaders will be hard pressed to avoid some sharp debeting jabs. Mr Nigel Lawson, the British Chancellor, gave a characteristically pungent foretaste after the recent series of International Monetary Fund meetings in Washington: he said that he had been predicting for at least a year that the U.S. fiscal policy "was going to end in tears."

President Mitterrand of France, who rarely misses an opportunity to embarrass the U.S., will no doubt make further *difficulties* about the U.S. plan for a new round of trade talks. He can be expected to take up *the cry first heard from* his Finance Minister, M Pierre Beregovoy, at the recent OECD meeting in Paris that trade talks must go hand in hand with a world monetary conference.

Although there would be no practical advantage whatever in linking the two sets of talks, M Mitterrand has a point. It was after ali, et the Versailles summit three years ago that he proposed a more active policy towards exchange rates and some official tether for the dollar. The Americans stalled, with innumerable papers and studies in favour of free floating rates, many of them written by Mr Beryl Sprinkel, the former U.S. Treasury under-secretary.

Outside France, there is, in the words of one British official, "a growing perception that the system of floating rates has delivered some pretty bizzare results."

There is less agreement abont where the industrialised nations should go from here. The most likely outcome is thst the summit leaders will give a discreet push to a two-year-old official study about ways of moderating axchange rate swings. A subtle changa of mood from the leadars could have a significant impact on the conference of the industrial world's finance ministers in Tokyo in June.

But perhaps the most important issue will be that of European and Japanese domestic growth rates, even though there seems little prospect thet any specific deals will come out of the summit.

Nevertheless, the Americans seem to have accepted that the European countries should not be asked to do what Mr Baker described as "pumping np tha economy by artificial means."

In any case, Jepan and West Garmany, the two obvious candidates for fiscal reflation, have made it clear that they will not be party to any explicit agreement to increase their deficits.

So in public they will all resch an anodyne agreement in carefully carved phrases that economic sin (structural rigidities and protectionism and inflation) is e bad thing and virtue (non-inflationary growth) is ardently to be desired.

Real progress, if there is any, will be as carefully understated. It will emerge as a more responsive attituda by the U.S. to tha international dimeneion of their policies particularly in relation to the dollar, e tacit willingness by the Europeans to ease monetary policy as soon as possible and an undertaking by the Japanese Prime Minister, Yasuhiro Nakasone, to push even harder at the rusty door of Japanese trade and financial liberalisation.

## WASHINGTON'S MESSAGE TO EUROPE: 'TAKE UP THE SLACK'

IF HIS partners play by the rules, President Ronald Reagan should have a relatively easy ride by the Rhine this week. Tha traditional code of behaviour for Western economic summits dictates that participants do not make life too hard —at least in public—for e fellow club member with a political problem.

Mr Reagan, who has managed to dig himself into a deep political hole as a result of his plans to visit the Bitburg war cemetery on Sunday, badly needs to emerge creditably from the two-day Bonn summit, starting tomorrow evening, that immediately precedes his Bitburg excursion.

The last thing he wants is a failed summit to set the whole tone for the 10-day trip through Western Europe that he begins today.

The ideal American scenario for Bonn runs roughly as follows: the Europeans (meaning France) finally agree to a firm dete for the start of a new round of international trade talks—preferably next January —and all the participants (particularly Japan and West Germany) commit themselves to expansionary policies to "take up the slack" left by slower American economic growth.

The meeting ends with a general consensus that Mr Reagan's free market policies are the best answer to the world's problems. Meanwhile, in the informal political talks, no unseemly rows erupt over his "Star Wars" space defence programme, Central America, or, indeed, anything else.

Given the divisions between the U.S. and its pertner, however, Mr Reagan is likely to have to settle for a good deal less. France may not specifically agree to January as the opening date for the trade talks—"the beginning of next year" is considered the most likely formulation by European officials. A number of the other countries, including the West German hosts and the UK, have already made it clear that they do not want to expand their economies further, and in the course of the summit preparations, Fraoce, it is said in Washington, has generally been "petulant."

Mr Reagan, however, will not be coming to his fifth economic summit on the defensive. Washington believes that over the last two years the international economic climate has been improving with each successive summit—Williamsburg in 1983, London last year, and now Bonn. The U.S. has not only led the West, and to a large extent, the developing countries, ont of recession, but American officials argue there is increasing recognition that the U.S. has been on the right track, while the Europeans have not.

U.S. officials love to reel off figures showing, for example, that over the last ten years the U.S. created almost 20m jobs, while European employment actually declined—by 1.1m in the UK, 1.5m in West Germany, aod 300,000 in France.

It is et this point that U.S. Government economists epologetically introduce the dreaded term "structural rigidities," occasionally with the offer of a small prize for anyone who can come up with a jazzier description. These are the obstacles to growth embedded in the system, whether in the form of government regulstioos, lebour and employmeot practices, capital controls, subsidies, or tax and welfare structures—and it is the West European economies, in Washington's view, that are by far the most crippled by them.

If Western Europe is to "teke up the slack" and ensure longer-term economic growth, it is essential, in Washington'e eyes, that it tackles these rigidities head-on — in much the same way that Mr Reagan has struggled to "get government off the people's back" in the U.S. A major potential sonrce of friction, however, is thet factors regarded as "economic" in Washington, such as high unemployment benefits and job security provisions, tend to be seen in Europe as intensely political.

Rightly or wrongly, the U.S. insists that it is not telling its allies how to run their societies, and that it has its own contribution to make to the process. American "rigidities" are to be found in the country's complex and unfair tax system, which Mr Reagan has pledged to reform. Moreover, some U.S. officials say that the U.S. budget deficit could also be classified as a "structural rigidity."

Here, however, Mr Reagan will be on weaker ground than he would have liked — he had hoped to have solid progress behind him in Congress on his $50bn bndget deficit reduction package before the summit opens. And, while senior U.S. officials insist that it is too early to draw firm longer-term conclusions, they admit that, with e bare 1.3 per cent growth rate in the first quarter, the U.S. economy seems itself nowhere near as strong as they had hoped.

If U.S. and world economic growth is to be sustained, Mr Reagan will argue, growing protectionist forces must be thwarted by a decision to go ahead with the new trade round.

Mr Baker, the U.S. Treasury Secretary, insists, however, that there can be no "linkage" between trade and monetary reform, as the French are demanding, that the trade talks are necessary in their own right. Some other U.S. officials say privately that it is too late for "linkage" anyway, given that Mr Baker has already conceded the principle of discussions on monetary reform at the OECD Ministerial meeting in Paris last month.

But there is still a wide and probably unbridgeable gap between Mr Baker's desire to do no more than "treat weaknesses" in the system, and his continued distaste for exchange rate intervention, and the much more sweeping long-term ambitions of the French.

# Men and Matters

### Non-stop from Brussels

The EEC Commission has now brought a new touch of magic to its Alice-in-Wonderland world by preparing what it calls a "non-paper" for the Community's agriculture ministers.

The "non-paper" derives its negative qualities from an effort to underline its unofficial etatus as a possible compromise agreemant in the current wrangle over farm prices.

In short, by being "non," it cannot be rejected.

This splendid creation is fast developing its own non-officialdom. My man in Brussels tells me that in order to draft the "non-paper," Eurocrats are attending special gatherings, known quite straightfacedly as "non-meetings," at which—wait for it — "non-minutes" are recorded.

A busy farm directorate official was recently caught rushing down a corridor to one of these non-occasions. "Sorry, I can't stop," he said breathlessly. "I've got to go and do some non-work."

### Southern risks

David Wilkie, one of Britain's top actuaries, is moving from the colder climes of Edinburgh to the effete environment of Reigate, to become a partner in R. Watson and Son, one of the top three firms of British consulting actuaries.

In his previous position as head of economic research at Standard Life, Wilkie has been seen by his peers as more akin to the old-style life company actuary, involved in expanding actuarial theory, than the modern-day insurance man involved in running a life company.

His output of actuarial papers on a variety of subjects, ranging from the impact of the EEC directive on sex equality in pension schemes, to the use of stochastic processes in portfolio management, has been well received academically in the Institute of Actuaries in London, and the Faculty of Actuaries in Edinburgh.

He feels that his talents and ideas will be compatible with those of Watson, whose partners are now finding their advice and services required in a whole range of areas beyond the traditional pension fund valuation fields, and

In particular, clients are now seeking advice on portfolio matching — a topic on which Wilkie claims to have some revolutionary ideas.

### B economics

John Rutledge is not a man to mince words on the abstruse world of business and economics theory.

Ha is the founder and chairman of the California-based Claremont Economics Institute; and his view of the U.S. economy leads him to give President Reagan a "blundering B-plus" for efforts to curb inflation and to cut taxes.

Rutledge has little time for big companies who cannot cut their costs. Ha also takes a dim view of "shareholder-raping exercises" by inefficient managers. On the other hand he sees the current fad for buy-outs as "extremely dangerons" if companies cannot produce the cash flow to pay off the debt.

What it boils down to, he said in London yesterday, is the deployment of assets on the world balance sheet. "The U.S. is going through a reworking of the balance sheet," he says. "Owning things is a 1970s idea. Using things productively is an idea of the 1980s."

U.S. mining companies who are hoping for better times ahead are being told by Rutledge that commodity prices hava still not reached the bottom—and are advised by him to redeploy.

Life is no all gloom for Rutledge, however. He is prepared to put his money where his mouth is. "We sold a big house, bought a small house, and put the entire difference in long Treasury bonds. And we are making a bundle of money doing it . . ."


"They've all gone — I'm the only one left, if you'll pardon the expression"

### Coin slot

Part of the biggest private coin collection in the U.S.—a multi-million pound hoard of more than 50,000—is to be sold at auctions in London over the next two years by Spink and Son, the dealers.

The collection is that amassed by Mrs Emery May Holden Norweb, of Cleveland, Ohio, who died last year at the age of 88.

Trained as a metallurgist—her father owned gold mines in California—she started collecting as a child and continued for the rest of her life.

Apart from coins, Mrs Norweb also ecquired an outstanding collection of pre-Columbian art, carting the treasures around with her in a trunk for years to various overseas posts with her diplomat husband, before finally presenting them to the Cleveland Museum of Art.

It is her series of English coins that Spink will start to auction on June 13. The first portion will be the largest group offered for sale in London since 1903 and a lot of price records are likely to be broken.

Begun with some Anglo-Saxon pennies which she found being sold for a few dollars a pound in weight in Texas, the English collection was built into what Spink's managing director, Douglas Liddell, says is "one of the most comprehensive in the world."

Liddell made frequent trips to Cleveland during the past 30 years to help Mrs Norweb catalogue the coins. He expects at least two of them to fetch up to £50-£60,000 apiece.

These are a Henry III gold penny—only six specimens are known to exist and the last time one came up for sale in 1967 it fetched $22,000—and a Charles II "petition crown," around whose 3 mm milled edge, Thomas Simon wrote an unsuccessful 33-word petition to the king to restore him to the post of chief engraver to the Mint.

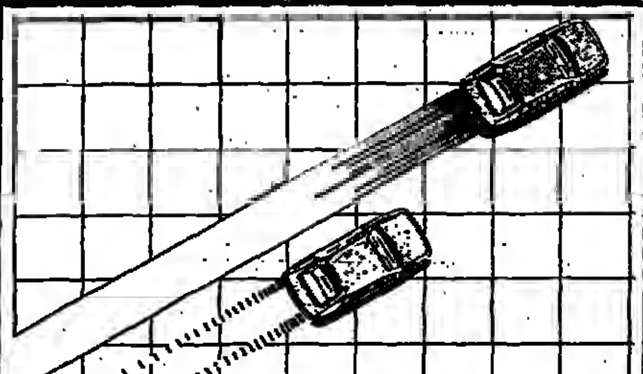
### Name of the game

The FT story yesterday about a possible merger between insurance brokers C. E. Heath and Hogg Robinson brought the Lloyd's wags out in force. Only one name for the result of such a marriage, I was told—Heath Robinson.

### Cut off

An angry husband confronted his bank manager tha other day: "I'd like to disjoint my account . . ."

**Observer**



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LOCAL ELECTIONS IN ENGLAND AND WALES

# An acid test for the Tories

by Robin Pauley

A UNIQUE test of the Government's national and local policies occurs in England and Wales tomorrow. Unique because the poll will be held exclusively in the traditional Tory heartlands, the shire counties.

Under normal circumstances attention this year would also be focussed on England's largest conurbations where Tory and Labour have vied for local supremacy, with Labour more often than not getting the upper hand.

But this year's elections in Greater London, West Yorkshire, West Midlands, Merseyside, Tyne and Wear and Greater Manchester have been cancelled as the Government is proposing to abolish these councils next March.

This means no elections in any of the principal cities of England as there are also no London borough or metropolitan district councils. There are also no elections in Scotland.

With nearly two-thirds of the 38m voters in England and Wales eligible to take part in this election for all the seats in all 39 English and eight Welsh counties it represents the first *major* nationwide test of voter opinion on national and local issues since the 1983 general election and an unusual perspective of opinion in many traditional Tory areas.

The Conservatives ought to be optimistic not only because they are fighting on largely friendly territory but also because they had remarkably bad results in the last county council elections in 1981. Mrs Thatcher's Government was deeply unpopular then, so much so that her party managed the unthinkable and lost control of both Lancashire and Cheshire.

But the Conservatives are privately very anxious about tomorrow's results for several reasons.

The latest opinion polls all indicate that Labour has moved several percentage points ahead of the Tories which could dash Conservative hopes of re-capturing some of its worst 1981 losses. In addition, since 1981 Labour has scored a considerable propaganda success in getting across to the public the mess surrounding local government finance where, crucially, the link between council spending and rate levels has been smashed.

This makes it all the harder for the Conservatives to play effectively their traditional card of "low rates in Tory areas, high rates in Labour areas." This proposition remains largely true but the reasons for it are now perceived by the electorate to also be due to Government policies, conflicting target and penalty systems and reductions in Government support to councils. These policies tend to have a greater impact on poorer, largely Labour areas.

In addition, both Labour and Conservative parties have to contend with the Alliance. Liberals have traditionally been strongly organised in local government although their high hopes often came to nought and the only county they control is the Isle of Wight. But with the SDP, which had only just been created when the 1981 elections were held, the Alliance now has its strongest ever network and has opinion poll support consistently around 25 per cent or higher.

The key to the election tomorrow is the band of middle England which separates the North (Labour) and the South (Tory) and is particularly sensitive to changing political fortunes.

Avon is the only county south of Birmingham with a Labour majority and even allowing for Labour's improving fortunes they will be lucky to hold on to their majority of two seats tomorrow.

Lincolnshire and North Yorkshire are the only counties north of the Wash with Tory majorities.

But between these two massed strongholds is a clutch of hung councils: Berkshire, *Cheshire*, Shropshire, Gloucestershire, Warwickshire, Leicestershire, Northamptonshire, Cambridgeshire. All except Cheshire and Northamptonshire are run by minority Conservative administrations. The Alliance is crucial to the balance of power in most.

So, for all three parties, these eight *councils* are among the most crucial.

The Alliance desperately needs to translate its good opinion poll form into the occasional first prize. A major political and psychological victory would be gained if it could turn its power-broking position in just one of these key hung councils into Alliance control. The only two possibilities would be Berkshire and Gloucestershire and both are very tall orders. In Berkshire, the Liberals got 28 per cent of the vote in 1981 to win 17 seats against 42 Conservative, 27 Labour and one other. In Gloucestershire, the Liberals got 26 per cent of the vote for 11 seats (compared with no seats at all in 1977); Labour got a lower percentage of the vote—25 per cent—for more seats, 17, and the Tories got 25 seats. It is these sort of figures which have to be turned around if the Alliance is ever to appear over the brow of the hill, locally and nationally.

Outside the vital band of hung councils there are other targets. The Conservatives are (decreasingly) hopeful of regaining their lost Northern treasure of Lancashire and of winning Cumbria and Humberside. Labour hopes to move from minority to majority control in Clwyd and not to lose any of its South Wales strongholds. The Alliance hopes to force more councils out of the overall control of the other two major parties: Dorset, East Sussex, Hereford and Worcester, Northumberland and Wiltshire all registered substantial Liberal advances in 1981.

In many counties, comparisons will be difficult owing to boundary changes since 1981, although these have tended to affect more of the Tory-controlled authorities than Labour.

The shire counties' two principal functions are education and police, both of which have been campaign issues. The police and policing became a major issue throughout the miners' strike and attitudes in parts of the mining shire counties may have been affected by that dispute—the impact of which is fading less quickly on the spot than is implied by the sudden ending of media attention.

Education is very much a live issue because of the disputes which have been affecting the principal county council services. It is also a subject in which local residents tend to take an exceptionally close interest.

Since the last county elections the enthusiastic attempts by some councils to cut spending as part of the Government's campaign for lower spending and lower rates has been dealt a blow by Her Majesty's Inspectorate of Education. Both Somerset and Norfolk figured in HMI reports as counties in which education provision had fallen to a level which was giving concern.

The teachers' dispute is a more difficult conundrum depending on whether voting parents are sympathetic to the teachers' complaints or furious at the disruption.

This could prove particularly important in the counties among the current target areas for disruptive strike action this term—Buckinghamshire, Cambridgeshire, Devon, Hampshire, Hertfordshire, Kent, Leicestershire, Lincolnshire, North Yorkshire, Oxfordshire, Somerset, Suffolk, Surrey, Warwickshire, West Sussex, Wiltshire and Clwyd.

So this, the year of "dreary" elections made worse by the elimination of the "star" mega-councils, promises to be far more interesting than it looks. Inevitably, the old bands, the Labour and Tory parties, will claim more than is their due whatever the outcome and the Alliance will reinvent political arithmetic on Friday on the basis of wishful thinking and proportional representation. But it is for the Alliance that the annual local polls are becoming crucial; it has its ground forces and organisation well in place after four years and it now needs to prove itself politically rather than doing well and coming nowhere. Here are some points to watch for:

Labour will be doing well if—
- it holds all its present counties
- it can take overall control of Clwyd or Northamptonshire
- more hung counties have minority Labour than minority Tory control

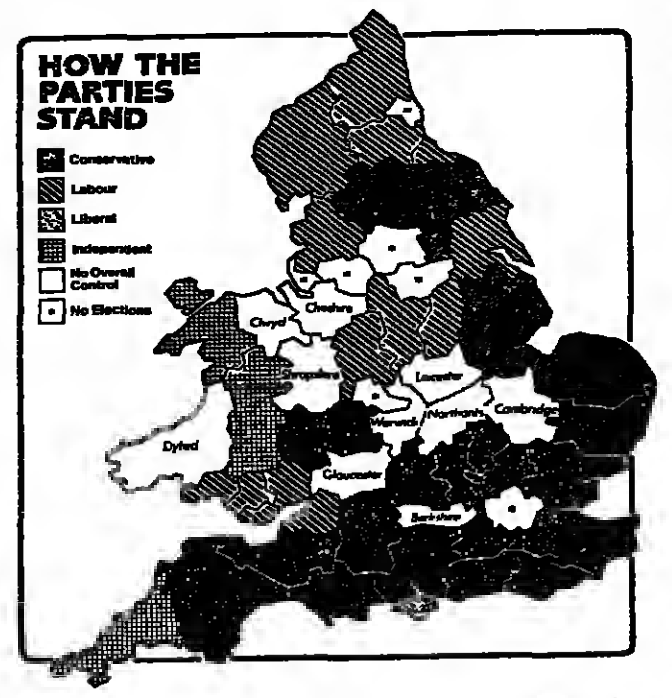
and badly if—
- it loses a South Wales county
- there are no hung Home Counties
- it rains

The Tories will be doing well if—
- they can win back the Isle of Wight
- they win any two of Cumbria, Cleveland, Northumberland and Lancashire
- the North-South divide moves Northwards

and badly if—
- they lose control of anything
- they fail to capture Avon and Lancashire
- there is a very low turnout in fine weather

The Alliance will be doing well if—
- the number of hung councils increases
- it takes control of anything
- it can get the balance of power somewhere in the North

and badly if—
- it loses the Isle of Wight
- it gets under 25 per cent of the overall vote
- it persistently comes third.



Bob Hutchison

UK unemployment

# Time to make time for alternative strategies

By Andrew Britton

THE LAUNCHING of the new Charter for Jobs and the foundation of a new Employment Institute are the clearest indications yet that monetarism has been put on the defensive. It is not difficult to see why this change in the intellectual climate has come about.

*Realistic monetarists always* expected unemployment to rise as the rate of inflation was being brought down by a tightening of fiscal and monetary policies. But they expected the increase in the level of unemployment to be temporary, not permanent. Once inflation was established at a slower rate, they thought that unemployment would come down again, to a level lower than it had been before the monetarist cure was taken. In the event it has risen to double that level and there is still no prospect of a substantial fall. Because a temporary rise was expected, and implicitly tolerated, it has taken a very long time for the *failure* of monetarism in this respect to become fully evident.

Since the monetarist strategy is not achieving the results expected of it, attention is now naturally shifting to the alternative strategies proposed by non-monetarist economists. Some economists, for example those writing the National Institute's quarterly commentary, have been consistently critical of monetarism since it first became influential in the early 1970s. Such criticism is now justified by events. That does not mean, however, that one should, or could, simply go back to the policies which were followed in some earlier period. Too much has changed, both in the way economists think about macroeconomic policy and in the circumstances of the British economy.

Since 1979 the total of the registered unemployed has risen by 8 per cent of the labour force. In some respects this may overstate the present deficiency of demand for labour, but in others it may understate it. What is indicated, therefore, is not a marginal change in economic policies, which would have only a marginal effect on unemployment. The waste of resources will not stop if unemployment levels off or even if it begins to fall a trifle, which is quite possible even on the basis of the present strategy. It will stop only when the degree of slack in the labour market falls back below what it was when the monetarist experiment was begun.

If the unemployed are given productive work to do, the total level of output in the economy *will rise at least in proportion* to the number of jobs created—at least in proportion because as output expands average productivity normally rises rather than falls. It does not follow, however, that extra output can be secured on the scale required simply by adding to domestic demand. It is also essential that the competitiveness of British industry is improved, because otherwise the balance of payments will again become a constraint on the growth of the economy. Much of the extra output which is needed to create the extra jobs must be either production for export or else production which competes with imports in the home market. The problems of unemployment and of the non-oil trade balance are inextricably interconnected.

## The stringency of fiscal policy could be relaxed

Some easing of fiscal policy, by tax cuts or increased public spending, is seen by many as a necessary condition for output growth on the scale that is needed. No one, I think, believes that it is a sufficient condition. Nowadays the argument that one can simply spend one's way out of trouble is seldom, if ever, heard—except as a caricature. The argument often heard is that the fiscal policy actually followed in recent years has been quite unnecessarily restrictive.

The stringency of fiscal policy could be relaxed to some degree without raising the total of public sector debt outstanding to a dangerous level in relation to national income. The rate at which the markets can absorb debt is always a matter of judgment; there is no particular number for the PSBR, or the ratio of debt to GDP, which is always adequate and never excessive. The market reception of an expansionary Budget would depend as much on the nature of the tax and spending changes announced as on the forecast of borrowing or the debt-to-income ratio by which it is accompanied.

The three specific measures identified by the Charter for Jobs have been chosen to minimise the danger of inflation. They include further cuts in the taxation of employment, additional public spending on the infrastructure and special measures to help the long-term unemployed. The arguments for these proposals are set out in a short pamphlet called We Can Cut Unemployment (obtainable *from Charter for Jobs*, Freepost, London NW3 1YP).

The aim of those associated with this new venture is to change the way people think about unemployment, above all to counter the view that unemployment is inevitable, so we must just learn to live with it. That fatalism is based on misconceptions, but if it becomes generally accepted, it will itself be an obstacle to the creation of jobs.

The perceptions and expectations of the general public have a profound effect on the economy. Recent developments in the theory of macroeconomic policy have much increased the emphasis on considerations of this sort. But expectations can work for good as well as for ill. If the public expects output to rise, for example, then firms are more likely to invest and recruit labour ahead of demand. This makes expansion easier and limits the risk of an excessive rise in imports. The need is to present a credible plan of *phased expansion*, rather than an abrupt transition to boom conditions with which industry cannot cope adequately.

The official response to the Charter for Jobs has been on the one hand that its ideas have already been discredited, on the other hand that they have already been adopted. Neither *line is* really *tenable*. There *is* a lot of new and constructive thinking going on about alternative strategies. There is a growing awareness that progress under the present strategy is lamentably slow.

*The author is director of the National Institute of Economic and Social Research and a trustee of Charter for Jobs.*

# Letters to the Editor

## Nuclear power management

*From Mr D. Lomer*

Sir,—In David Fishlock's article (April 19) "Britain's nuclear industry has another go" Sir Walter Marshall was quoted as saying that making the National Nuclear Corporation responsible for the whole project, including safety, was a mistake. Before Sir Walter became chairman of the Central Electricity Board he was chairman of the UK Atomic Energy Authority and a part-time member of NNC.

The Secretary of State made a policy announcement in 1979 that NNC should have "total project management" for the pressurised water reactor. At that time I was a board member of the CEGB. I, like many others in the private and public sector worldwide, believed that it is only a client/owner who can have total project management and as owner there are many responsibilities the CEGB could not delegate to NNC.

The article also says that the CEGB agreed the conclusion of the task force that NNC should be responsible for safety. I would like to assure readers that to my knowledge the then board of CEGB never considered making NNC responsible for safety, let alone agreed. Safety of nuclear stations is the responsibility of the owner.

What a pity it has taken so many people so long to come to the conclusion that the Government instruction on how the PWR should be project-managed was a mistake. I believe the words, NNC will have "total project management," have caused endless argument and debate, have delayed the establishment of procedures and strategies, delayed the project and escalated the costs.

By the time the 1979 policy announcement was made, the two generating boards (CEGB and South of Scotland Electricity Board) had already agreed with NNC the procedures, contract strategies, division of work, delegations, etc. for Heysham II and Torness advanced gas-cooled reactors. These were largely based on the procedures already adopted for Drax, which in turn took account of the detailed analysis of causes for delay in power station construction, both conventional and nuclear. This analysis had been communicated to Ministers by presentations and to the Plowden Committee in 1975 by a very detailed presentation.

The discussions with Mr Denis Rooney, the then chairman of NNC, on the agreement for the two AGR stations took into account the boards' responsibilities as owner and the following points: boards' cost of ownership; responsibility for safety throughout the life of the stations; legal advice the boards had obtained on how they could and could not contract for the station; NNC financial status; the need for the boards to ensure that all contracts for plant were drawn between the boards and the various contractors; boards' public accountability; the need for all tender lists to be approved by the boards; infeed into the design from the operators of Hinkley and Hunterston stations; the fact that the construction site licence would be issued to a named person in CEGB; the fact that once nuclear fuel arrived on site the licence holder would be the CEGB station manager.

I have reason to believe there were some who did not like the agreement between the boards and NNC, some who did not like the two AGRs going ahead. Time alone will tell who was right.

Strategies and contract arrangements were carefully thought out, and based on past experience, project management logic, and the responsibilities of the client/owner purchaser. They have been successfully applied to Drax, Heysham and Torness, and in part used to sort out problems at Grain, Isle and Littlebrook.

Has it been cost effective, or even wise, to try to develop a new approach for the project management of the first PWR?

Dennis Lomer.
*Henley House,*
*Heathfield Close,*
*Woking, Surrey.*

## The TGWU ballot

*From the General Secretary, Transport and General Workers Union*

Sir,—I would refer to your article (April 29) entitled "Row over *fresh* TGWU ballot."

To ensure that readers receive the correct facts rather than editorialised comment I would state that the decision of the union to hold a repeat ballot was taken by the General Executive Council. It will conduct the ballot, not Evans or any other individual. I, as general secretary, have the *responsibility to over-see* the administration and will certainly not be issuing "personal" instructions that vary from the decision of the GEC.

I have as general secretary taken my responsibilities seriously and far from showing favouritism it will be my task to ensure, under the terms laid down by the GEC, that the ballot is conducted properly and fairly.

I believe this view would be upheld by all candidates who know my commitment to ensure the full lay participation of all our members.

Moss Evans.
*Transport House,*
*Smith Square, SW1.*

## A Channel link and allowances

*From Mr J. Newman*

Sir,—In April the Department of Transport issued an "Invitation to promoters of a Channel link." This contained three principles on taxation the last of which was that there would be no discrimination between users of competing modes of transport (except perhaps with respect to duty free *facilities*).

From a UK capital allowances viewpoint the major part of the Channel link works will qualify as an industrial building. The balance will to an extent qualify for allowances as plant and machinery and then perhaps dredging and other minor allowances. Of course, some parts will not qualify for any allowances at all. The Finance Act 1984 and the Finance Bill 1985 state that the rate of initial allowances on industrial buildings and dredging works will be nil after April 1 1986. Thus, only an annual allowance at a rate of 4 per cent per annum will be due on the major part of the link works and that will be due when the link is actually "in use."

Competing modes of transport such as ferry boats, hovercraft and aircraft will not be entitled to first year allowances after April 1 1986 but will be entitled to writing down allowances at a rate of 25 per cent per *annum* and there will be no "in use" condition.

I put this discrepancy in allowances to the Department of Transport and asked it to confirm that industrial buildings allowances will come into line with those for ships. The The Department's response has been to state that as I was not acting for any promoting group it would not respond substantively. It assured me however that the points made had been noted carefully and that it was good of me to take an interest in the matter.

There are three worries that arise from this correspondence: the obvious one of whether the Inland Revenue was consulted initially, the lack of openness *disclosed* by the correspondence and, bearing in mind the fact that most cross-Channel ferries have lasted for more than 25 years, the possible reduction in allowances on ships to 4 per cent per annum.

John A. Newman.
*1, Old Burlington Street, W1.*

## Ending rent controls

*From the Director, Shelter*

Sir, — I am writing to correct a small but important mistake in Peter Riddall's article (April 19) on Government plans to end rent controls on new lettings in the private rented sector.

The article says that "supporters of the change point out that the proposed legislation would only affect new lettings, while the controversial 1957 Act covered all tenants." This is, in fact, incorrect. The 1957 Rent Act removed rent controls from both new and existing lettings only at the upper end of the market (in London, for example, only 12 per cent of tenancies were affected in this way). All other existing tenancies remained subject to rent control, but all new tenancies were automatically deregulated.

*Supporters of deregulation* cannot, then, counter concerns about Rachmanism by claiming their proposals are different from those of the 1957 Act: as far as the majority of lettings were concerned, they are essentially the same.

Indeed, the proponents of deregulation would do well to study the 1957 *Rent Act* and its eventual effects. Many of the claims being made for deregulation now were also made at the time of the 1957 Act. They were not realised. There was no evidence of any marked improvement in mobility, and the rate of decline in the private rented sector accelerated after 1957 rather than slowing down. In areas of shortage, especially London, fears that the Act would lead to exploitation were justified. We should not make the same mistakes again.

Sheila McKechnie.
*157, Waterloo Road, SE1.*

## Courage and conviction

*From Miss B. North*

Sir,—Sir Roy Shaw (April 22) thinks that in order to avoid the necessity for tobacco sponsorship, all the arts need is a further "small" subsidy to the Arts Council and accuses the Government of lacking the courage of its convictions. Many other people feel that the same is true of their particular interests. What neither he nor any of them will say, however, is from what alternative sector of the community this money should be taken, in view of the shortness of the supply! Where is the courage of their convictions?

(Miss) B. E. North.
*21 Trinity Church Square, SE1*

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| 12.49 | Depart Lyon Station | 19.00 | Meeting Ends |
| 14.33 | Arrive Dijon Station | 19.20 | Arrive Dijon Airport |
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FINANCIAL TIMES

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**Rupert Cornwell in Bonn** examines the problems facing the West German building industry

# Pillars of society shaken to foundations

THE BITTEREST winter in West Germany for decades has given way to a sudden, if spasmodic, spring. But the relief, and spiritual uplift, has most decidedly not spread to the country's building and construction industry. Its present straits are not just the worst since the second world war; they also constitute a massive, menacing blemish on an otherwise solid economic recovery.

For all its tribulations, construction remains a pillar of the national wellbeing. A total annual business worth DM 260bn ($87bn) makes it the largest single sector of the economy.

Directly or indirectly, the industry bears upon activity worth DM 600bn – roughly a third of the Federal Republic's gross national product. Its trade stretches from building houses to laying down autobahns, from fitting sulphur dioxide extractors to power stations to executing giant contracts in Saudi Arabia.

But the pillar is now wobbling perilously. According to some estimates, up to 200,000 of tha 1.1m people employed by an army of 60,000 companies are in danger of losing their jobs this year alone. In 1984, some 2,000 of the latter went bankrupt: nobody disputes that this year will be worse still. The only unknown is how much worse.

But why the crisis, and why now? The answer is complex, an array of reasons stretching from the receding successes of the past through the affluence of the present into the doubts and uncertainties that cloud West Germany's future.

During the 1950s and most of tha 1960s, the industry was necessarily a driving force behind immediate post-war reconstruction and economic expansion. At its peak, the housing contractors' sector was completing 700,000 new homes a year. The momentum spilled over into civil engineering at home and then abroad, and gained further strength from the massive plant investment programmes of a renascent industry.

That is over now, however. No fewer than 18m new homes since 1945 have ensured that West Germany is well housed. This year, an official at the Ministry of Works in Bonn reckons, housing completions might fall below the depressed 1984 level of around 400,000. Nor is that all.

The Third World debt crisis and the arrival of competition from emerging new industrial powers have pushed the total volume of overseas contracting down from a peak of DM 20bn a year to DM 4bn to DM 5bn today. Public spending retrenchment under the centre-right coalition now in power may have helped to cut the budget deficit, but it has eaten heavily into public works programmes.

The economy as a whole is growing at a useful 2.5 to 3 per cent a year, but there is as yet scant sign of the genuine investment upswing on which the construction industry is counting. When it does come, it may well be less in new plant than in the specialised production equipment within it.

Moreover, not just industry but civil engineering at large has borne the backlash of tha new German passion for the environment. Some claim that the cleansing of West Germany may generate 400,000 new johs over the coming years. But, of those, not many on balance may flow to tha construction sector as plans for new power stations, motorways and the like are held up.

The ascent of the Greens (environmentalist party) may now be looking somewhat less than irresistible. But their environmental legacy will continue to be joined during the next decade by that other spectre haunting the country's planners: that of a falling population. When the low West German birth rate really starts to take effect, in the mid-1990s, the home-building and construction industry cannot escape being a victim.

Against that background, few would argue – and few, even in IG Bau, the building union, do so – that no further rationalisation, as cutbacks are politely called, is required. But the industry's difficulties have been compounded by additional shortcomings of its own making.

The relentless pressure to win orders has led to suicidal price-cutting. According to Dr Ignaz Walter, chief executive of WTB – Walter-Thosti-Boswaj of Augsburg – one of the half dozen largest construction groups in West Germany, most of those in charge of smaller companies are run by people with a background in engineering rather than finance.

"They think short-term," he says. "They have to pay money out so they take any new order, even at below cost price, to raise enough money to meet their next payments. That is just stupid."

On top of that is the relative ease with which a new company can be set up in West Germany.

A Ministry of Works official said: "The trouble is that these concerns often are not properly financed. They frequently just go straight into bankruptcy." As a result, not just the immediate prospects of individual workers but the image of the industry as a whole is badly damaged.

The Government insists that the industry must learn to live with the changed times. But its wounds, self-inflicted or otherwise, are prodding the state into action. This year, for example, DM 27.5bn of budgetary allocations – 9 per cent more than in 1984 – are being earmarked for the sector.

A further DM 1.75bn is being channelled through various agencies into environment-oriented construction projects, while a host of tax measures either have been or will be brought in to encourage home owners and those saving for a mortage.

Not least important, local authorities, who are responsible for 60 per cent of all public spending in the sector, are this year expected for the first tima for years to boost their investment programmes, especially in what the Germans call "Stadtökologie," a convenient portmanteau word embracing everything from new city-centre detours to the new priority being given in West Germany to preserving buildings of historical interest.

But even that is a sign of the more sober times. To restore lovingly an old building is far less remunerative, for the contractor, than to tear it down and replace it with one three times the size. But that is the way the future points.

## THE LEX COLUMN

# Tarmac takes to the road

It may be just coincidence that the Government Broker has cut his prices in order to shift tap stock on each of the past two days. But, with money supply figures due next week, it is no way to convince the market that bank lending is under control.

### Tarmac

Tarmac has been issuing so much equity of late that its share price would find the going heavy even in a sector better favoured than construction. The group is adventurous and well-managed but no fund manager would buy in the market when he can pick up stock at a discount at the regular biannual placing. Yesterday's 18p rise in the share price – to 548p – was a response as much to hints that Tarmac might rest the market for a bit as to its laudable set of 1984 results.

In the past six years, Tarmac has transformed a rag-bag of international activities into a strong presence in aggregates in the U.S. sunbelt. While this has not emancipated the group entirely from the UK construction cycle, let alone the weather, it has learned a much more hard-headed approach to contracting – where turnover has fallen sharply in real teams – and developed a housing business now approaching its limits to growth in the UK.

Nor has Tarmac simply exchanged a UK construction downturn for the prospect of one in the U.S. Even this year, Texas and Florida are only expected to chip in a sixth of the total profit contribution. Nowadays Tarmac looks the best-balanced company in the UK sector.

Simply in consolidating the U.S. acquisitions, Tarmac can add £20m or so to operating profit while the housing business – already operating on impressive margins – has all but met its growth target in the first four months. The cost in terms of working capital and borrowings is not excessive, with net debt at about 40 per cent of shareholders' funds; and interest payments should still leave well over £130m at the pre-tax level.

Tarmac can still use its own resources to finance additions to aggregate reserves and strengthen market shares within the building products business. But a sudden jump into the U.S. housing market, however tempting to management, would probably require more equity and the ensuing drag on the share price. The decision to try and float off part of the oil business – though neither here nor there in cash terms – is therefore welcome in intention.

### Business confidence

The CBI's latest industrial trends survey was conducted in the aftermath of the miners' strike and against the background of a budget which was generally seen as positive for manufacturing industry. So it is perhaps not surprising that respondents should have taken a jaunty view of the outlook for orders, investment and production. Yet, even making due allowance for the special circumstances, British industry seems in exceptionally good heart.

The worry, if anything, is that higher output is straining capacity and so putting upward pressure on prices. The proportion of companies which view fixed capacity as more than adequate has fallen for the second quarter in succession and rather more respondents are now citing the cost of funds as a constraints on capital investment.

Yet capacity utilisation overall has remained broadly constant for at least a year and the anecdotal evidence of production bottlenecks is pretty thin. Capital investment by manufacturing industry increased by around 15 per cent last year and remained at a high level in the first quarter of 1985. With the phasing out of capital allowances providing every incentive to expand capacity sooner rather than later, it would be surprising if many British companies were bumping up against production ceilings.

Of greater concern is the effect which a stronger pound and a slower U.S. economy may have on export confidence as the year progresses. To judge from the survey, industry was as bothered as ever about export competitiveness just when it should have been enjoying the fruits of sterling's decline.

### Stock Exchange

Neatly timed to coincide with the run-up to the Government's share offering, Robert Fleming has started this week to make a market in British Aerospace's shares. It now trades 31 electronics or electronics-related stocks outside the Stock Exchange and claims to have 5 per cent to 10 per cent of that market. European Banking Company, meanwhile, is celebrating its first two weeks as market-maker in European equities, including ICI, Fisons, Beecham and Glaxo.

Those banks that chose to buy stakes in brokers or jobbers could only operate along Fleming lines by bypassing their partners. Fleming, on the other hand, has all the advantages of being outside a cartel – it can act as both distributor and market-maker and undercut existing members by not charging commission. While it is gently climbing the learning curve, market-makers hired by brokers are underemployed. What is more, Fleming has saved itself the goodwill payment involved in buying a whole firm.

Yesterday, the chairman of the Stock Exchange was attempting to persuade his members that the penalty for high entry barriers to the London Stock Exchange would be a fragmentation of the central market. Both Fleming and EBC are prepared in principle to join the Stock Exchange but if the hurdles are too high, they will carry on peddling their wares across the road.

# London SE chief defends reforms

**By John Moore in London**

SIR NICHOLAS GOODISON, chairman of the London Stock Exchange, yesterday warned members of the exchange that there was "no alternative" to the reforms planned for the UK securibes market.

He was beginning a campaign to rally members to support key reforms of the stock market, which are to be voted on at a meeting on June 4. Amid growing unrest in the market about the changes, which will allow outside interests full control of stockbroking and stockjobbing firms, Sir Nicholas addressed representatives from London firms at the stock exchange.

It is the first of three meetings planned for London members this week. Speaking to the members on the exchange's trading floor Sir Nicholas was received, according to one member, "in stony silence."

A large number of small brokers are angry that outsiders are going to gain access to the assets of the exchange at what they consider to be too low a price. The stock exchange bas devised a compromise solutinn in order to give existing members some "compensation" for the admission of outsiders to the exchange.

A market is to be created in the shares of the stock exchange itself and each member would hold five shares. But under a proposed formula the markat value of the shares could be limited to £2,000 ($2500) each. Small brokers regard this proposal as unfair and are determined to block it.

Sir Nicholas told the members yesterday that the growing internationalisation of markets meant that outsiders would have to be admitted. He warned them that the market might fragment as outsiders developed markets outside the London stock exchange.

He also indicated that the market in British Government securities – the "gilt-edged" market – might be moved away from tha exchange unless the members accepted thet outsiders would have to be admitted.

Sir Nicholas and the stock exchange ruling council need a simple majority at the June 4 meeting to allow outsiders in the exchange and 75 per cent majorities on other proposals such as the creation of a market in the shares of the stock exchange itself.

# FitzGerald speaks out against Sinn Fein on visit to Ulster

**BY PETER RIDDELL IN LONDON AND OUR DUBLIN AND BELFAST CORRESPONDENTS**

DR GARRET FITZGERALD, Prime Minister of the Irish Republic, yesterday used the first official visit by an Irish premier to Northern Ireland for 20 years to urge nationalists in the province to reject Sinn Fein, the political wing of the IRA, in the May 15 local council elections.

Dr FitzGerald, accompanied by his Foreign Minister, Mr Peter Barry, flew on the inaugural flight by Aer Arann between Dublin and Londonderry, a service which the Irish Government will subsidise to the tune of I£100,000 ($100,000) a year.

The visit was marked by heavy security and drew protests from the Rev Ian Paisley, the Democratic Unionist leader. He said it was arrogant of Dr FitzGerald to visit Northern Ireland without making arrangements through the UK Foreign Office as other foreign leaders would have to do.

Mr John Hume, MP for Foyle which includes Londonderry, and leader of the Social Democratic and Labour Party, said the visit had no political significance. "Dr FitzGerald is here to show his personal support for the new air service, for which I have been working since the previous company closed 18 months ago," said Mr Hume, who was among the welcoming party at the airport. As a member of the European Parliament, Mr Hume is likely to be one of the service's best customers.

The last such official visit was the historic meeting between Mr Sean Lemass and the Northern Ireland Prime Minister, at the time, Capt Terence O'Neill. Dr FitzGerald has visited Belfast unofficially while in office to address an EEC sponsored meeting.

Dr FitzGerald's visit yesterday is in line with the British Government's strategy of trying to create a situation where a closer interest by Dublin ministers in the affairs of Northern Ireland is seen as normal and healthy.

The visit, however, drew a guarded reception from Mrs Margaret Thatcher, the British Prime Minister.

During Prime Minister's questions in the House of Commons, Mr Enoch Powell, Official Unionist MP for South Down, said there was "consternation and anger in Northern Ireland over the unheralded intrusion of the Prime Minister and Foreign Minister of the Irish Republic, particularly during an election campaign. Mrs Thatcher said she had been informed beforehand but added that she "understood" what Mr Powell was saying.

Mrs Thatcher was apparently informed last Friday but there was no indication yesterday that she wanted to go beyond such an acknowledgement to signal approval of the visit. The official position was that it is customary to inform London and Dublin had done that.

The visit could aid the prospects of the mainly-Roman Catholic Social Democratic and Labour Party in the elections, although Dr FitzGerald denied that this had anything to do with the visit.

# U.S. poised to impose Nicaragua sanctions

**By Reginald Dale, U.S. Editor, in Washington**

THE U.S. yesterday appeared to be on the verge of introducing economic sanctions against Nicaragua, probably including a trade embargo in a new bid to step up pressure on the Sandinista Government.

A leading Democratic senator, Mr Lloyd Bentsen of Texas, said that Mr George Shultz, Secretary of State, would recommend the santions to president Ronald Reagan before the two men left for West Germany to attend the Bonn economic summit, later last night.

Mr Bentsen said the State Department had told him the sanctions would include a trade boycott and a ban on airline traffic between the two countries. Nicaraguan exports to the U.S. have already plummetted from $214m in 1960 to $58m last year, while U.S. exports have fallen from $247m to $109m over the same period. Direct air traffic between the two countries is minimal.

The State Department recommendations came less than a week after the House of Representatives rejected all proposals for new aid to the Nicaraguan anti-government Contra rebels, obliging the Administration to look for other means of exerting pressure on Managua.

On Friday, the White House announced a full review of economic, political and other measures that might be taken against tha Sandinistas and in indirect support of the Contras. Administration officials say they have now detected a groundswell of Congressional support for sanctions, particularly following this week's visit to Moscow by Sr Daniel Ortega, the Nicaraguan president, to seek Soviet economic aid.

Economic sanctions have frequently been considered in the past, but the Administration has been reluctant to introduce them – at least in part for fear of the wider implications for its trade relations.

Yesterday, however, Mr Shultz insisted that any sanctions against Nicaragua "had nothing to do with" tha Administration's campaign for freer world trade – a major plank in its position for the Bonn summit. Sanctions would be simply a matter for U.S.-Nicaraguan relations and should be seen as supporting U.S. political objectives, he said.

Nevertheless, it seemed certain that Mr Reagan's allies would want to question him on the issue in the informal political discussions in Bonn.

# LDC doubts on new trade round

**BY WILLIAM DULLFORCE IN GENEVA**

INDIA and Brazil, two of the largest developing countries, continued yesterday to express reservations about the new round of international trade negotiations, on which leaders of the industrialised nations are expected to decide at the Bonn summit later this week.

The two countries reiterated at a council meeting of the General Agreement on Tariffs and Trade (Gatt) the view that new multilateral talks would lack credibility in the eyes of developing countries until the work programme agreed by a Gatt ministerial meeting in 1982 had been implemented.

This programme provided for a halt to protectionist action and a "rollback" of the barriers to trade erected by countries in contravention of Gatt rules. It also included studies of ways to liberalise trade in agricultural products and to lift restrictions on textiles and clothing. Little progress bas been made in any of these areas.

The Indian and Brazilian ambassadors were speaking on behalf of the group of less developed countries within Gatt. Their standpoint was backed by Egypt and Yugoslavia.

It appears to be unlikely, however, that the doubts of the developing countries can stop the impetus for a new round of negotiations.

The U.S. and Japan called in the council for a meeting in July of senior officials from Gatt member countries to prepare for the talks. The EEC, while expressing sympathy for the arguments of the developing countries, said it would be in their interests to take part in a new round.

The council, which is made up of heads of missions for Gatt members in Geneva, did not formally accept the call for a preparatory meeting in July but the majority agreed to tackle the issue of new trade negotiations squarely at the next council meeting in June.

# U.S. leading indicators fall by 0.2%

**Continued from Page 1**

Growing concern in Congress about the failure of the Reagan Administration to develop policies to attack the trade problem and the strength of the dollar, which is one of the sources of it, was underlined again yesterday when a group of Democrats in the House of Representatives called on President Ronald Reagan to convene an international monetary conference before the end of the year to address the issues raised by the strength of the dollar.

In the Senate, too, even some Republicans are pressing the Administration to focus more on tackling international monetary issues. There is also mounting pressure for the Administration to adopt a more flexible approach for tackling the budget deficit.

**Philip Stephens adds from London:** The unexpected fall in the March leading indicators initially prompted a sharp weakening of the dollar's value, hut it recouped some of the losses in response to the firmness of U.S. interest rates.

The dollar closed in London at DM 3.0975, down 1.35 pfg from Monday but well above its lows of the day. Sterling benefited from the weaker U.S. currency to rise by 1.25 cents to $1.2425.

# World Weather

| | | °C | °F |
|---|---|---|---|
| Ajaccio | S | 17 | 63 |
| Akrotiri | S | 23 | 73 |
| Algiers | S | 23 | 73 |
| Amsterdam | C | 7 | 45 |
| Athens | S | 20 | 68 |
| Bahrain | S | 29 | 84 |
| Bangkok | S | 31 | 88 |
| Barcelona | S | 16 | 61 |
| Beirut | F | 24 | 75 |
| Belgrade | F | 15 | 59 |
| Berlin | S | 4 | 39 |
| Biarritz | S | 17 | 63 |
| Blackpool | C | 9 | 48 |
| Bordeaux | S | 18 | 64 |
| Brussels | S | 8 | 46 |
| Budapest | F | 11 | 52 |
| B. Aires | S | 17 | 63 |
| Cairo | S | 33 | 91 |
| Cape Town | C | 18 | 64 |
| Caracas | R | 27 | 81 |
| Casablanca | S | 23 | 73 |
| Copenhagen | S | 4 | 39 |
| Corfu | S | 18 | 64 |
| Dublin | C | 12 | 54 |

| | | °C | °F |
|---|---|---|---|
| Dubrovnik | S | 14 | 57 |
| Faro | F | 23 | 73 |
| Florence | S | 18 | 64 |
| Frankfurt | S | 11 | 52 |
| Funchal | F | 17 | 63 |
| Geneva | S | 11 | 52 |
| Gibraltar | S | 20 | 68 |
| Guernsey | S | 15 | 59 |
| Helsinki | C | 8 | 46 |
| H. Kong | C | 24 | 75 |
| Innsbruck | Sl | 2 | 36 |
| Inverness | S | 11 | 52 |
| Istanbul | F | 15 | 59 |
| Jersey | C | 9 | 48 |
| Jo'burg | S | 26 | 79 |
| Las Palmas | C | 20 | 68 |
| Lima | S | 23 | 73 |
| Lisbon | S | 23 | 73 |
| Locarno | S | 17 | 63 |
| London | C | 15 | 59 |
| Los Angeles | C | 23 | 73 |
| Luxembourg | C | 6 | 43 |
| Madrid | D | 23 | 72 |
| Majorca | S | 20 | 68 |

| | | °C | °F |
|---|---|---|---|
| Malaga | S | — | — |
| Malta | F | 18 | 64 |
| Manila | S | 34 | 93 |
| Miami | C | 34 | 93 |
| Milan | S | 19 | 66 |
| Moscow | C | 17 | 63 |
| Munich | R | 5 | 41 |
| Nairobi | R | 23 | 73 |
| Naples | F | 17 | 63 |
| New Delhi | S | 36 | 97 |
| New York | S | 22 | 72 |
| Nice | S | 16 | 61 |
| Oporto | S | 22 | 72 |
| Oslo | — | — | — |
| Paris | C | 15 | 59 |
| Prague | S | 4 | 39 |
| Reykjavik | F | 5 | 41 |
| Rio de J'o | C | 35 | 95 |
| Rome | C | 15 | 59 |

| | | °C | °F |
|---|---|---|---|
| Salzburg | S | 5 | 41 |
| Seoul | S | 24 | 75 |
| Singapore | C | 32 | 90 |
| Stockholm | S | 2 | 36 |
| Strasbourg | R | 8 | 46 |
| Sydney | C | 21 | 70 |
| Taipei | C | 28 | 82 |
| Tangier | S | 23 | 73 |
| Tehran | — | — | — |
| Tel Aviv | F | 28 | 82 |
| Tenerife | F | 21 | 70 |
| Tokyo | S | 22 | 72 |
| Toronto | S | 20 | 68 |
| Tunis | F | 21 | 70 |
| Valencia | S | 21 | 70 |
| Venice | S | 14 | 57 |
| Vienna | F | 11 | 52 |
| Warsaw | F | 7 | 45 |
| Zurich | S | 8 | 46 |

*Readings at mid-day yesterday:*

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder H–Hail

# GM to build new plant

GENERAL MOTORS, the world's largest car company which is carrying out a modernisation programme, yesterday announced plans to build a new $750m car assembly plant in Kansas City, writes **William Hall in New York.**

The plant will assemble a new line of cars in time for the 1988 model year. It will replace an existing GM plant in Kansas City and be operated by GM's Chevrolet-Pontiac-Canada group. Construction is to begin immediately, with completion scheduled for late summer 1987.

Last week, General Motors announced a one-third drop in its first-quarter net income to $1.1bn which it blamed partly on tha heavy costs associated with its modernisation plans. Wall Street is aware that the company has been investing heavily in new technology and new plants, but it nevertheless has been surprised by tha short-term impact on profitability.

General Motors said the plant would not be for the assembly of the new Saturn cars, but gave few specific details about the cars to be produced in Kansas City. The company said it does not expect any layoffs as production is transferred from the new plant. However, it says that the workforce will be lower as a result of natural job wastage.

# Tokyo deadline for Gatt talks

**Continued from Page 1**

growing, and despite repeated efforts has had little concrete success in persuading Japan to open up its markets to West German goods, particularly cars. On the other hand Japanese manufacturers at present hold around 12 per cent of the German motor market.

Meanwhile both leaders last night indicated their backing for the U.S. research programme into its Strategic Defence Initiative of space-based defence. However, both agree that the current concept of deterrence must remain in force until a practical alternative existed.

This announcement appears as a matter of record only.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Wednesday May 1 1985

# Buitoni buys IRI food offshoot

BY JAMES BUXTON IN ROME

IRI, the Italian state-owned industrial holding company, announced yesterday that it had agreed to sell its food manufacturing and distribution company Societa Meridionale Finanziari (SME) to Buitoni, the private sector food company which recently came under the control of Sig Carlo de Benedetti, chairman of *Olivetti*.

The deal, which won admiration from political leaders but fury from trade unionists, is the biggest act of privatisation of an Italian state-controlled company. It marked a further major expansion of Sig de *Benedetti's empire and will lead* to the creation of one of the largest food groups in Europe.

Under the outline agreement, which has to be approved by the SME and Buitoni boards, Buitoni will pay L497bn ($250.2m) for 64 per cent of the capital of SME. Buitoni retain 51 per cent of this, and the remainder of the shares will be taken up by Mediobanca, the Milan *merchant* bank, and *Instituto Mobiliare* Italiano, the Rome financial institution.

The first L150bn will be paid at once and the remainder over 18 *months*.

The deal means that in only three months Sig de Benedetti, who has also been responsible for building Olivetti into one of Europe's biggest and most profitable data processing equipment makers, is now in control of a *food manufacturing* group whose sales in 1984 totalled more than L4,100bn.

In negotiations in February Sig de Benedetti's holding company CIR bought control of the Buitoni pasta and chocolate group from the Buitoni family. The company lost L47.7bn in 1984 on sales of L1,035bn. CIR paid only L25bn for it, but is having to make a large injection of new capital.

The agreement to buy SME was made last weekend. The company is Naples-based and controls a range of food manufacturing companies including Alivar, Cirio and Italgel, a supermarket chain and a string of motorway restaurants. Sales in 1984 totalled L3,100bn.

SME was nationalised in 1963 and has lost L270bn in the six years up to 1983. Last year, however, it recorded a net profit of L50.2bn because recapitalisation and management restructuring carried out under Sig Giuseppe Rasero, the managing director installed by Professor Romano Prodi, IRI chairman.

SME is the first of IRI's major holding companies to return to profit since Sig Prodi took over in 1982. His strategy has been to return to the private sector those parts of IRI which he considered non-essential to the group's interests. However, the privatisation of companies so far has been limited.

Sig de Benedetti said yesterday the deal was "the first time that a publicly-owned company has passed into the hands of a private one to be paid for in cash." Usually, he said, the process was the other way round and cash did not change hands. He said he was paying "a lot of money" for SME.

He said yesterday that he would keep the management of SME intact but gave no guarantee on the future of its 20,000 strong labour force.

# Deficit for U.S. steel producer worsens

By Our Financial Staff

FIRST-QUARTER losses at LTV, the *third largest U.S. steel producer*, increased sharply from $29m to $156m. However, the deficit was down on the fourth-quarter loss of $246.7m, which took the loss for the whole of 1984 to $378.2m.

*Sales by the Dallas-based* group, which merged with Republic Steel in June last year, were up $1.99bn for the latest quarter, compared with $1.41bn.

Steel shipments rose more than 16 per cent from the fourth quarter but imports and the strong dollar sharply depressed prices.

The operating loss on steel for the quarter was $111.7m up from $27.4m a year ago. On the aerospace side income was higher at $29.3m, against $21.5m but energy products turned in a $2.7m loss, compared with $4m last time.

LTV said that integration of Republic Steel was taking longer and proving more difficult than expected because of low operating rates.

● *Low prices*, reduced volume sales and the effect of imports in its metal business, pushed National Intergroup to a net loss of $17.9m, or $1.08 a share in the first quarter.

For the year ago period the U.S. steel and financial services group, which now owns 50 per cent of National Steel, shows a profit of $1.7m, giving a loss per share of 11 cents.

The 1985 three months includes an equity share of the net loss of National Steel, which was wholly owned in 1984, of $19.9m. This was partly offset by a $3.3m gain from a property sale.

The comparative period has been restated to show a $6.38m charge for losses on trading contracts and purchase commitments for aluminium in ingots.

# Apple to discontinue Lisa computer output

BY LOUISE KEHOE IN SAN FRANCISCO

APPLE COMPUTER admitted that its "revolutionary" Lisa model had been a flop and announced that it would discontinue the two-year-old personal computer this summer.

Recently renamed the "Macintosh XL" in an attempt to link it to the more successful Apple Macintosh computer, *Lisa was introduced* with great fanfare in January 1983. At the time, Apple chairman and founder, Mr Steve Jobs, boasted that Apple was "betting our company on the strategic decisions we made on Lisa."

*Apple spent over $50m developing* the Lisa, and at least as much again on advertising and market efforts. Lisa represented Apple Computer's first attempt to penetrate the corporate office market for personal computers, but the company met with strong competition from IBM. Apple must now rely upon Lisa's offspring, the Macintosh, to *break IBM's hold on the office market*.

Touted as the most "friendly" personal computer, for its ease of use features, Lisa's failure has been widely blamed upon its unfriendly original price of $10,000. But a *series of price cuts, bringing the price* down to $3,995, have done little to boost Lisa sales.

*Apple also made what it now considers* to be a serious error by not encouraging third-party software development for Lisa. As a result, very little business software is available for the Lisa.

Having "learned its lessons" with Lisa, *Apple is now undertaking* a big effort to boost its sales of Macintosh to corporate users, Macintosh incorporates much of Lisa's technology. It remains to be seen, however, *whether Macintosh can* succeed, where Lisa, and the Xerox Star that inspired many of its features, failed.

# Two troubled Canadian aircraft groups improve

BY BERNARD SIMON IN TORONTO

DE HAVILLAND AIRCRAFT of Canada and Canadair, the state-owned aircraft manufacturer, improved their financial performance last year as the Government pressed ahead with efforts to privatise the two troubled companies.

*De Havilland, which specialises* in short-takeoff-and-landing commuter aircraft, reported its operating income of C$11.4m (U.S.$8.38m) in 1984, its first trading profit in two years. The operating loss in 1983 was C$39.4m.

The company's heavy debt burden, however, produced a net loss of C$40.4m *last* year, down from C$236.5m in 1983. Sales rose from C$121.7m to C$204m.

De Havilland made the first deliveries *last year* of its Dash-8 model, whose high development costs contributed to recent losses. The company wrote off C$78.1m in Dash-8 development expenses last year.

Canadair, whose main product is the Challenger executive jet, reported *a C$6m net profit* in 1984 following a loss of C$184.5m the previous year. Sales slipped from C$387.1m to C$376.4m.

A financial restructuring in early *1984 freed Canadair of more than* C$1bn of debt, transferring the burden to the Canadian Government. The debt grew to C$1.3bn at the end of 1984.

# Boeing takes off on higher interest income

BY OUR NEW YORK STAFF

BOEING, the *leading* U.S. aircraft manufacturer, increased its first-quarter net income by 41 per cent to $110m on the back of a similar increase in sales to $2.9bn.

*The improvement reflected* higher commercial jet transport earnings and increased interest income. During the quarter 11 airlines announced orders for 23 jets valued at $1bn. In the *same* period last year 28 new aircraft were ordered valued at $700m. The *higher value of the* current orders reflects the demand for a greater number of wide body aircraft.

Mr T. A. Wilson, Boeing's chairman, says that the 1984 U.S. economic recovery which resulted in significantly improved airline traffic growth is expected to continue in 1985 but at lower growth rates. The *improvement in traffic has* essentially absorbed the excess capacity which plagued the airlines in recent years.

As a result, the company says the order outlook is favourable but the short-term marketing environment for *commercial* jet transports remains extremely competitive.

In the latest three months, Boeing delivered 48 aircraft, including four 747s.

# FCA reduces loss in quarter

BY WILLIAM HALL IN NEW YORK

THE Financial Corporation of America (FCA), the West Coast thrift which ran into financial difficulties last year as a result of reckless property lending, has reported a $38.1m *net loss in its first quarter*.

The latest loss compares with a profit of $27.6m a year ago and a $512.1m loss in the fourth quarter when the group was forced to make heavy provisions on its problem loans. FCA took no additions to reserves for losses on loans and property in the latest quarter, and notes that the *first-quarter loss reflects* the significant drag on earnings caused by the company's non-performing assets.

The latest figures indicate the scale of the recovery task facing FCA's new management team under *Mr Bill Popejoy who replaced* Mr Charles Knapp, the architect of FCA's rapid growth, after bank regulators became worried last summer.

The problems at FCA and some other savings and loans have caused *nervousness among depositors* who have been withdrawing *funds* and *placing* them in less risky institutions and commercial banks. Mr Popejoy has been able to prevent a major run on his institution by nervous depositors, but he admits that the group is still being forced to pay a premium for its funds and has suffered some deposit outflow, particularly in March when $328m *was withdrawn*.

However, the reduction in the premium FCA pays for its funds and the fall in interest rates has led to an *overall decline in the group's* cost of funds from 10.77 per cent in December to 10.31 per cent in March.

# Ralston to sell fast-food chain

RALSTON-PURINA has reached an agreement to sell its Foodmaker subsidiary, owner and operator of the Jack In The Box restaurant chain, to Forstmann Little and members of Foodmaker senior management, Reuter reports from *New York*.

The parties did not disclose the terms of the transaction, which is *subject to customary conditions* including agreement on a definitive contract and corporate approval. The Jack In The Box chain has about 800 fast-food restaurants in California, Texas and Arizona.

# Warner-Lambert lifts earnings

BY TERRY BYLAND IN NEW YORK

BETTER PROFIT margins and a good *performance* by its *domestic* operations have helped Warner-Lambert, the health-care company, lift net income 12 per cent to $80m or 76 cents a share for the first quarter. Sales increased from $777m to $795m.

The *strength of the dollar* masked growth in the international divisions, where sales were 12 per cent up on the basis of local currencies but 2 per cent down after allowing for currency exchange rates.

# Unocal defence suffers setback

BY OUR NEW YORK STAFF

UNOCAL, the West Coast oil company, has suffered a potentially damaging setback in its bid to *fight off* the unwelcome overtures of Mr T. Boone Pickens, the Texas oil man. A court in Delaware has ruled that it cannot exclude Mr Pickens from *its $3.6bn offer* to buy back almost a third of its shares.

Mr Fred Hartley, Unocal chairman, has waged a bitter battle to prevent the takeover by Mr Pickens. He said last week that if Mr Pickens, Unocal's biggest shareholder, tendered any of his 23m shares in the company, Unocal would refuse to buy them.

A Delaware chancery court ruled *yesterday that Unocal could not* proceed with its offer to shareholders unless Mr Pickens's investor group is also allowed to participate. Mr Pickens stands to make an estimated $178m profit if he sells nearly a third of his 13.6 per cent stake back to the company. He has said that he will use the money to continue his pursuit of Unocal.

*Unocal said yesterday it would* await further legal developments before deciding whether to accept Mr Pickens's shares.

*This announcement appears as a matter of record only.*

*New Issue*

*30th April, 1985*

NKK

***Can. $70,000,000***

***Nippon Kokan Kabushiki Kaisha***

*11 7/8 per cent. Guaranteed Notes 1992*

*The Notes will be unconditionally and irrevocably guaranteed by*

***The Fuji Bank, Limited***

*Issue Price 100 1/2 per cent.*

*Yamaichi International (Europe) Limited* — *Fuji International Finance Limited*

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*Société Générale de Banque S.A.* — *Toronto Dominion International Limited*

*S.G. Warburg & Co. Ltd.* — *Wood Gundy Inc.*

**The Limited, Inc.**
has acquired 100%
of the common stock of
**Lerner Stores Corporation,**
an indirect wholly owned
subsidiary of
Rapid-American Corporation.

The undersigned initiated this
transaction on behalf of
and acted as financial advisor to
**The Limited, Inc.**

April 1985

SB LEWIS & Company
76 Beaver Street
New York, NY
10005

# Botswana RST Limited

*Incorporated in the Republic of Botswana*

**PRELIMINARY REPORT**

Results of the company and its subsidiaries for the year ended December 31 1984 (subject to final audit).

| | Year ended December 31 1984 | Year ended December 31 1983 |
|---|---|---|
| PRODUCTION AND SALES (Tonnes) | | |
| PRODUCTION AT MINE | | |
| Nickel/copper matte | 51 845 | 48 083 |
| SALES | | |
| Matte | 52 033 | 47 992 |
| Metals—Nickel | | 857 |
| —Copper | | 825 |
| —Cobalt | | 12 |

| | Year ended December 31 1984 P000's | Year ended December 31 1983 P000's |
|---|---|---|
| CONSOLIDATED INCOME STATEMENT | | |
| SALES | | |
| Matte and metals | 77 528 | 68 395 |
| Operating profit | 424 | 1 439 |
| Interest earned | 259 | 131 |
| Interest paid | (8 201) | (7 415) |
| Realised currency exchange losses | (8 817) | (917) |
| Other expenses | (236) | (164) |
| Loss before deferred interest, deferred royalty and unrealised exchange losses | (16 571) | (6 926) |
| Interest accrued but deferred for payment | (106 277) | (76 148) |
| Royalty accrued but deferred for payment | (4 996) | (3 799) |
| Unrealised currency exchange losses | (98 995) | (19 146) |
| Net loss attributable to the shareholders of Botswana RST Limited | (226 839) | (106 019) |
| Accumulated deficit at beginning of the year | (379 326) | (273 307) |
| Accumulated deficit at end of the year | (606 165) | (379 326) |
| Net loss attributable to the shareholders of Botswana RST Ltd per ordinary share: | | |
| Pula: | P12.62 | P5.90 |
| Sterling: at the rate of P1 equals £0.547 (1983: £0.593) ... | £6.90 | £3.50 |
| U.S. Dollars: at the rate of P1 equals $0.638 (1983: $0.862) | $8.05 | $5.08 |

Registered Office:
Administration Block
BCL Mine Site
P.O. Box 3, Selebi - Pbikwe
Botswana

By order of the Board.

May 1 1985



**U.S. $85,000,000**

**Unsecured Multicurrency Revolving Credit Facility**

**BRIERLEY INVESTMENTS LIMITED**

Managed by

PNC International Financial Services Limited

and Provided by

Lloyd's Bank International Limited in association with The National Bank of New Zealand Ltd. — BOT Australia Limited (The Bank of Tokyo Group)

Bank of New Zealand — First Chicago Australia Limited

Capel Court Corporation Limited — Italian International Bank PLC

Comerica Bank — Marac Hong Kong Limited

Creditanstalt - Bankverein — National Westminster Bank Group

Deutsche Genossenschaftsbank — Pittsburgh National Bank

Agent

PITTSBURGH NATIONAL BANK

An affiliate of PNC FINANCIAL CORP



**Reuters Holdings PLC**

*has acquired through a wholly-owned subsidiary*

**Rich, Inc.**

*We acted as financial advisor to Reuters Holdings PLC in this transaction and assisted in the negotiations.*

**Merrill Lynch Capital Markets**

May 1, 1985


# INTERNATIONAL COMPANIES and FINANCE

## Dutch bank establishes a U.S. foothold

By Nancy Dunne in Washington

CREDIT-SQUEEZED U.S. farmers have been turning in increasing numbera to an unlikely rescuer: Rabobank, a Dutch bank, whicb expects to have $100m out in toans in the American farm belt by early summer.

Working tbrough a programme called MASL a subsidiary of subsdiary of BABSCO Bankers Services, Inc., Rabobank is establisbing an important foothold in the troubled farm states, whicb it expects will turn highly profitable once the agricultural sector is again on its feet. The bank has committed another $100m to the programme and hopes to expand participation from the 15 states now signed up to 17 or 18 later this year.

The expansion comes at a time when small rural banks are sinkiog in droves, the U.S. farm credit system is sbowing increasing signs of strain, and 25 per cent of all American farm debt is thougbt to be in trouble. But that does not worry Rabobank, which with assets estimated at around $40bn, is the Netherlands' largest bank and the supplier of 90 per cent of its agricultural tending.

### Steadiest borrowers

Its loans, through the 12 state bank associations which capitalised MASI, go to only the steadiest borrowera in the system.

"We're after the top 30 per cent of the U.S. farmers—those who will survive the sbakeout," says Mr Hugo Steensma, *senior vice-president* and general manager of Rabobank for the U.S. and Canada.

MASI was conceived in 1981 wben several rural bankers became alarmed about the flight of farm loans. Rabobank was brought in to tap money markets for cheaper funds than that available to most local commercial banks. Generally, its interest rates to borrowing banks is just slightly above the prime.

It costs a bank a minimum of $5,000 and a maximum of $14,750 to join MASI. Tbe assessment, which pays operational costs, is based on a bank's assets.

MASI currently has 156 banks *signed up for the programme* with participations now involving about 540 farmers. By lending through MASI, Rabobank can participate np to 80 per cent on an agriculture loan which it does on a "last in, first out" basis.

### Property lending

Up to now, most of the lending has heen for operating loans, but MASI is expected to enter soon the business of intermediate term real estate lending. With U.S. banks abandoning real estate loans, Rabobank is prepared to offer first and second mortgages for up to five years for qualified farmers.

Despite its strict qualifying standards, MASI has taken a few bumps with the rest of tbe U.S. farm leanders. Four of its participating banks have been closed, and some loan delinquencies bave been reported.

However, says Mr Steensma, MASI is in for the long term aod *plans* to take additonal steps to offer other services to country banks it believes to be deserving of the risk.

**FRENCH BANK MAY SET UP LONDON SHARE-DEALING UNIT**

## UK link for Société Générale

BY DAVID MARSH IN PARIS

SOCIÉTÉ Générale, the third largest French nationalised bank, is likely to set up an international share-dealing subsidiary in London in partnership with Hambros, the UK merchant bank this summer.

The plan, which bas been under study for some months, will also involve the London stockbroker Strauss Turnbull, with which Société Générale already runs a joint venture for trading in Eurobonds in London.

The Londoo share-dealing venture is expected to involve dealing in about 15 to 20 internatiooal equities on a continuous basis.

Altbougb relatively small to start with, Société Générale's initiative represents the first move by a French bank to set up an interna*tional equity dealing service outside* Paris in response to demand from clients for more sophisticated investment facilities.

The move, expected to be decided by the Société Générale board next month, is part of French banks' gradual response to the opening up of deregulated securities markets in the U.S. and UK.

French banks have been absent up to now from the rush of international banks – mainly Americans – taking stakes in London stockbroking firms.

Banque Nationale de Paris (BNP), the biggest French nationalised bank, has now pulled out of discussions – first revealed several months ago – aimed at buying a stake in London stockbroker Lawrence Prust. Showing it is still inter*ested in expanding* its existing financial service activities in London, BNP is however pursuing contacts with other London firms to try to increase its UK securities presence.

Société Générale's planned London venture is expected to incorporate trading in two or three leading French shares such as Elf Aquitaine

Other components in the dealing service are expected to be leading European shares as well as South African, Australian and Asian equities.

The inclusion of French shares marks an important step. Paris stockbrokers have been increasingly nervous in recent months about the prospect that some international business in top French securities could move to London to *meet the needs of foreign investors.*

The threat has bowever mainly been perceived as coming from U.S. or UK broking companies – Merrill Lynch of the U.S. is seen as a particular risk – rather than from the French nationalised banking sector.

The French Government has recently taken some measures to try to improve competition in the domestic securities market, where stockbrokers benefit from a monopoly on bourse transactions. Commissions to be paid to banks on securities transactions have been cut and banks and brokers will be dealing on equal terms once a fledgling financial futures market, planned to start this autumn, becomes fully operational next year.

## No Hoesch dividend despite profits surge

BY PETER BRUCE IN BONN

HOESCH, one of West Germany's biggest steelmakers with major eogineeriog interests, confirmed yesterday it *would* not be paying a dividend for 1984, despite a dramatic improvement in operating profits, whicb rose to DM 182m (£58.5m) from DM 31m in 1983.

Although Hoesch has now not paid a dividend for eight years, Dr Detlev Karsten Rohwedder, chief executive, appeared to blame the current decision on the Economic Ministry, which he said had written to Hoesch in March suggesting that because the group had received restructuring subsidies from the government, a dividend would not be appropriate.

Dr Rohwedder said he regarded the letter as legally *binding*. But *he* added *that* Hoesch was talking to the Ministry in the hope that dividend could be paid this year.

Another board member, Herr Hero Brahms, however, struck a defensive note by saying the decision not to pay a dividend would anyway be "no surprise" to shareholders, who were not made any promises when they took part in a rights issue that raised MD 107m last year.

Dr Rohwedder also gave notice of possible further difficulties with Bonn by suggesting that because the European Commission had recently agreed to extra subsidies, amounting to some DM 10bn, being paid to state-owned steel competitors in Italy, France, Belgium and Luxembourg, German producers should not be forced to repay their restructuring subsidies out of profits.

Hoesch's *external* turnover last year rose 7.6 per cent to DM 7.25bn, some 37 per cent, largely due to booming exports, particularly to the U.S. rolled steel production rose 12.5 per cent to 3.75m tonnes. But while the strong dollar helped sales, material costs had risen even more strongly.

Nevertheless, Hoesch's steel operations, hived-off as a separate group at the beginning of last year, made profits after minor losses in 1983. For the group as a whole, interest payments continued to fall, this time to 1.7 per cent of total income *from* 2 per cent in 1983 and 2.7 per cent in 1982.

Net profits, at DM 94m, were DM 424m lower than in 1983. The *figures* are not really comparable, however, as the 1983 figure was boosted by DM 308m in state aid as well as the liquidation of reserves.

## Yamaha, Ford in engine deal

BY JOHN GRIFFITHS

YAMAHA MOTOR, best known as Japan's second largest motorcycle manufacturer, has signed a high-performance car engine cootract with Ford of the U.S.

Under the deal, Ford will send Yamaha units of a new production engine, wbich has yet to be aonounced. Yamaha will adapt the basic units into a very high-performance eogine, with four valves per cylinder, for resupply to Ford.

No details of the timing for the venture, the contract's value or the Ford models to wbich the engine will be fitted are being disclosed.

However, the contract indicates that Yamaha — wbicb, apart from motorcycles, has previously confined its other engine activities mainly to outboard motors — is now increasingly intent on expanding in to the automotive field.

The Ford deal represents the second known contract Yamaha possesses with a car maker. Although rarely acknowledged by Toyota, Japan's largest car maker subcontracts to Yamaha at least part of its production of the 16-valve 1.6-litre engines it uses in its Corolla saloon and *MR2 sports* car models.

While Forfd has acknowledged that a contract has been signed, it has refused to comment on how the agreement with Yamaba roigbt mesh with an engine development contract Ford also signed witb Cosworth Engineering of the UK 16 months ago.

That contract was described as being mainly to develop a new engine for grand prix racing. However, at the time the deal was signed, Mr Walter Hayes, Ford's vice-president of pnbitc affairs, said Ford intended that the deal would lead also tbe development of a new generation of high-performance engines for its roadgoing cars.

## Sharp cut in Italsider losses

BY JAMES BUXTON IN ROME

NUOVA ITALSIDER, the major Italian steel producer which is part of he state-owned IRI-Finsider holding company, last year cut its losses by 38 per cent to L754bn ($375m), from a deficit of L1,227bn in 1983.

However, the latest figure does not include an extraordinary loss of L135bn whicb the company attributed to the costs of cutting steel capacity in line with the reductioos Italy agreed with the EEC Commission.

The loss, which was on sales tha rose almost 15 per cent to L4,594bn, was reached after allowing L422bn for depreciation. Debt servicing alone cost L534bn, some 11.6 per cent of sales.

Shareholders have agreed to write down capital from L3,171bn to L2,281bn and to increase it again to L3,230bn wih an injection of new funds.

Nuova Italsider tast year cut its workofrce by 13 per cent, shedding 5,285 workers from a total which stood at 40,537 at the end of 1983. The cuts were roade at the company's plants in Genoa, Bagnoli (near Naples) and Taranto.

● Condotte D'Acqua, the Italian state-owned construction company, last year reduced its losses from L40bn in 1983 to L15bn. The board of the company, which is part of the IRI-Italstat holding, said that there had been a change of direction in the fortunes of the group last year, even hough it was still suffering heavily from financial charges as a result of delays in payments.

Group sales in 1984 amounled to L819bn and orders were L1,429bn.

## Low fee on $400m EdF Euroloan

By Peter Montagnon, Euromarkets Correspondent

ELECTRICITE DE FRANCE is to pay an annnal fee of just 6¼ basis points to banks participating in tbe $400m, 10-year loan facility mandated last week to Bank of America, Bank of Tokyo, Bankers Trust and Societe Generale.

The fee, which is only marginally higher than that paid by other recent borrowers snch as Imperial Chemical Industries and Unilever, suggests that top-rated borrowers remain largely unaffected by recent moves on tbe part of central banks to tighten up on capital requirements for such deals.

Terms of the EdF operation, revealed yesterday, make little concession to the stricter regulatory background, though the contract for the operation is to include a clause permitting lenders to recoup any extra costs they incur as a result of increased capital requirements.

Interest in the deal from Japanese banks was already said to he strong yesterday, though it will still take some days before the response of the rest of he market becomes clear. Bankers believe that EdF wonld like to increase tbe total amount of its facility if the response is positive.

The facility, which is to replace previous arrangements, is designed to back up the issue of Euronotes denominated in Ecus or dollars, short-term bank advances and the issue of commercial paper in the U.S. wbere EdF already bas an extensive programme.

If EdF draws on its back-up facility banks will receive a margin of eight basis points plus an additional fee of up to 17½ points depending how much is drawn. Including the facility fee means that banks would expect to receive a return of 31½ points if all the $400m were used.

Front-end fees to lead managera total 20 basis points, which is much more than the three basis points fee on the recent Unilever facility. Compounding this fee through the life of tbe loan adds the equivatent of an extra three basis points to the facility fee, Societe Generale said.

## OK Bazaars falls for third year running

By Our Financial Staff

*OK BAZAARS*, one of *South* Africa's leading retail chains, has suffered a third successive year of declining profits amid a slide in consumer spending which the company said, yesterday, showed no signs of abating.

Pre-tax earnings for the year to March emerged at R25.31m ($13m), compared with R39.27m in 1983-84, on sales which, although slightly ahead at R1.96bn, against R1.76bn, had failed by far to keep pace with inflation.

At tbe net level profits were R12.17m, compared with R21.91m, and the dividend is being cut to 60 cents for the year, down from R1.08.

The company warned that earnings in the first half of the current year would ge well down because of an erosion of demand, particularly on thefurniture and appliances side. This time last year it had already identified a trend away from spending on durables.

However, OK Bazaars stressed its continued balance sheet strength, with gearing brought down to 28 per cent of shareholders' fuods by the year-end. The group gave the net worth per sbare as R26.60, against R16.30, in cootrast to the fall in earnings to R1 per share, from R1.81.

## Strong gain at Norske Shell

NORSKE SHELL, the Norwegian subsidiary of the Shell Oil multinational, almost trebled pre-tax profits last year to NKr 1.4bn ($156m) from NKr 500m in 1983. Turnover increased by NKr 500m to NKr 8.3bn writes Fay Gjester in Oslo.

The result mainly reflecied increased oil production from the Statfjord field in the North Sea, in which Norske Sbell has an 8.4 per cent stake.

## Motor Iberica seeks loan of Pta 9.2bn from state

BY OUR FINANCIAL STAFF

MOTOR IBERICA, the Spanish affiliate of *Nissan Motor* of Japan is seekiog to raise Pta 9.2bn ($53m) in government loana to meet capital investment commitments and offset losses which for 1984 are put at Pta 9.5bn.

The company said its losses stem from debt servicing requirements which amounted to Pta 18bn. Motor Iberica expects to stay in tbe red until the present restructuring programme ends in 1988.

"We are looking for a rise in sales o Pta 65bn this year from Pta 50bn in 1984,". the companysaid. Sales are expected to benefit from the Vanette minivan which went into production last March.

Motor Iberica has also asked the government for Pta 3.6bn in subsidies and a moratorium on social security payments to underwrite its lay-off plan which entails sbedding 1,000 jobs.

Nissan, which owns 85 per cent of Motor Iberica, plans a Pta 18bn outlay for the company to finance capital investmeot schemes, which include the import of Nissan cars and the eventual production of its own model in Spain.


*This announcement appears as a matter of record only. All of the securities referred to below have been sold.*

**$170,000,000**

**Time Inc.**

**Short-Term Promissory Notes**

*We acted as dealer in the private placement of these Notes.*

**PaineWebber**

Incorporated

April 1985

# Air India plans $450m funding for Airbus deal

BY JOHN ELLIOTT IN NEW DELHI

AIR INDIA is expected to invite bids from international bank s within the next two weeks for a financial package of between $440m and $450m to finance the purchase of six Airbus A310 passenger jets with spares.

It will seek two forms of leasing bids, in addition to a combination of composite export credit and syndicated loan, baving been persuaded by Grindlays and Chartered, its advisers, that it should explore leasing as a potentially cheaper form of financing than Euro-loans.

Becase India is not prepared to hand over ownership of the jets to another country, Air India will be asking for what it calls an instalment sale as well as straight leasing. Under an instalment sale, the airline would acquire the aircraft and maintain the ownership and registration, even though the financial repayments would be similar to leasing. This idea has been pushed by Grindlays.

Airbus has offered to cover about 65 per cent of the total cost with export credits. So, Air India and the Ministry of Finance will decide when they receive the bids how to split the financing between the various forms on offer.

Apart from Grindlays and Chartered, two other main groups of banks are believed to be preparing bids for syndicated loans. One which will offer tax sparing is led by Lloyds International and Banque Nationale de Paris and includes Chase Manhettan, National Westminster, Midland, Chemical nd Mitsubishi.

The other inclndes Morgan Guaranty, Orion, Societe Generale, and Hong Kong and Shanghai.

# Saudi group audits Bahrain bank

BY OUR FINANCIAL STAFF

MIDDLE EAST Financial Group, the Luxembourg-based holding company for Saudi Arabian banking interests, said yesterday that it is finalising an acquisition audit of Arab Asian Bank, the Bahrain bank for which it is making a takeover bid.

MEFG is owned by the Bin Mafhouz and Kaaki families of Saudi Arabia, who also own the Jeddah-based National Commercial Bank.

MEFG already has a stake in Arab Asian Bank, which it is supervising in conjunction with the Bahrain Monetary Authority. Arab Asian Bank has yet to report its results for 1984.

The United Bank of Kuwait, the London-based consortium bank, is meanwhile to get another shareholder: the Public Institution for Social Security in Kuwait. The institution, which manages Kuwait's state pension fund, will subscribe for 3m shares of £1 each, bringing the bank's total capital to £73.4m ($90.2m), on top of which it has £40m in subordineted loans.

The United Bank is owned by 13 Kuwaiti institutions and made a pre-tax profit of £10.8m last year.

*Finn Barre in Riyadh writes:* The directors of the Saudi Investment Bank (SAIB) have decided to recommend the retention of all 1984 profits, after a $166.6m drop in assets and a downturn in earnings.

SAIB reported that a harsher banking climate has resulted in a drop in retained profits from $3.97m to $3.36m and the directors are recommending that the profits be used to boost the general reserve almost donbling it to $9.44m. Reserves against possible loan losses beve been increased from $25.1m to $34.9m. Net loans and advances were slightly higher at $402.8m.

The founder institutions of tho bank have also agreed to return their 1983 dividends worth $1.58m to build up shareholders' funds

Net commission income rose slightly from $22.97m to $23.3m in 1984 but the bank said that strict income reporting and lower asset levels dragged down gross commission income.

*AP-DJ adds from Riyadh:* United Sandi Commercial Bank has reported profits of 1.59m riyals ($0.44m) during its first full year of operation.

The bank was launched by Bank Melli Iran, Banque du Liban et d'Outre Mer of Lebanon, and United Bank of Pakistan. These banks own 10 per cent each of USCB, as does Saudi International Bank, while private Saudi shareholders own the remaining 60 per cent.

# Steep decline at Sun Hung Kai

HONG KONG—Sun Hung Kai & Co. of Hong Koog yesterday reported sharply lower profits for 1984, attributed largely to decreasing revenues from its commodities and securities divisions.

Group net profits were HK$14.45m (US$1.86m) compared with HK$23.15m for 1983. This excludes extraordinary losses of HK$6.28m for last year and HK$1.66m in the previous period. Allowing for these, profits slipped to HK$8.17m from HK$21.49m.

The total dividend for the year is being cut to 1.5 cents a share from 2.5 cents.

Shareholders yesterday approved the sale agreed last month of Sun Hung Kai Bank to Arab Banking Corporation of Bahrain for HK$360m. The sale resulted in an extraordinary loss of HK$186m.

Group earnings meanwhile had risen sharply in the first quarter of the current year to a level above earnings for the whole of 1984, according to Mr William Arthur, the chief executive.

He said the exact figure would be contained in a prospectus due on May 13 for the general offer on outstanding shares in the company launched by Mr Fung King Hey, the chairman. Results in the rest of 1985 might not be as good, as the company remained vulnerable to changes in local financial markets, Mr Arthur said.

Until recently, ownership of the company was shared among three main partners, Merrill Lynch of the U.S., Banque Paribas of France, and Mr Fung, each with 25.5 per cent.

Since the year-end, Paribas has sold its stake back to Mr Fung, leaving Merrill Lynch a minority partner.

Mr Arthur—a former chairman of Merrill Lynch International—identified causes of the profits fall as high interest costs, and a decline in commission income from gold dealing, commodities trading and overseas securities transactions. The company's China trade division was also unprofitable, Mr Arthur said. Results of the banking side were not outlined separately.

Mr Arthur announced that Sun Hung Kai is to acquire a 25 per cent interest in Tien An Development, a China trading venture jointly owned by the state-run Bank of China, China Resources Company and Asia Travel Services.

In order to bolster its investment banking operations, Sun Hung Kai is also planning an operational merger between Widely Credits, its licensed deposit-taker, and its stockbroking unit.

Speaking of Merrill Lynch's 1982 decision to buy into Sun Hung Kai, Mr Arthur said: "We certainly didn't get it right, I don't think our crystal ball or anybody else's crystal ball foresaw the colony's economic troubles of those years."

Agencies

# Sime Darby changes new town scheme

By Wong Sulong in Kuala Lumpur

CONSOLIDATED Plantations and United Estates Projects, two major units of Sime Darby, Malaysia's largest non-oil conglomerate, have announced a change in the plan to develop a 200,000 population township outside Knala Lumpur.

Under the revised plan Conplant, which is 62 per cent owned by Sime, will relinquish its stake in the development of the proposed Seafield Jaya for 114.8m ringgit (US$47.5m) making UEP the exclusive developer.

Originally, the 1,800-acre Seafield estate, belonging to Conplant, was to be developed on a partnership basis with Conplant taking 70 per cent. However, following Sime's acquisition of 47 per cent in UEP, Sime has taken the view that its property development should he placed under UEP.

# Sharp fall in net profits at Cycle and Carriage

BY OUR FINANCIAL STAFF

CYCLE AND CARRIAGE, the Singapore motor distributor, yesterday annoimced at 72.7 per cent slide in net profits to S$3.98m (U.S.$1.8m) for the six months to March, down from S$14.50m in the comparable period of 1983-84.

The company blamed a decline in car sales—it hold franchises for Mitsubishi, where it said profit margins had also narrowed significantly over the period, and for Mercedes-Benz's Turnover fell from S$188.59m to S$127.3m.

The interim dividend is being halved to 5 cents a share and the company forecasts a poor result for the current half-year "unless there is material change in market conditions."

Other detrimental factors identified by C & C were moves last month by the Singapore Government to curb the number of cars on the roads, and a 10 per cent rise last October in Malaysian import duties for locally assembled cars.

Wong Sulong adds from Kuala Lumpur: at Cycle and Carriage Bintang, C & C's Malaysia offshoot, the fall in pre-tax profits was 35 per cent to reach 11m ringgit (U.S.$4.4m) on turnover down 14 per cent to 143m ringgit.

CCB is declaring a three-for-five scrip issue, to bring its paid-up capital to 95.2m ringgit. The inerim dividend is cut from 12 cents to 10 cents.

The sharp deterioration in the car market in Singapore, coupled with keen competition in Malaysia, also resulted in a 10 per cent fall in 1984 pre-tax profit for Tan Chong, a distributor of Nissan cars.

Taxable earnings were down to 66.3m ringgit ($27.6m) on flat turnover of 1.14bn ringgit. Net profit was down 7 per cent to 37.7m ringgit.

Tan Chong said sales in Singapore fell 20 per cent to 226m ringgit, while there was a 7.5 per cent increase in sales from Malaysia to 922m ringgit.

Tan Chong is paying a final 6 per cent dividend, making a total of 9 per cent compared with 8.5 per cent.

# Amrel earnings plunge despite higher turnover

BY JIM JONES IN JOHANNESBURG

AMALGAMATED Retail (Amrel), the leading South African retailer of furniture and footwear, was badly affected by recession and eusterity measures in the year to March.

Although turnover rose to R468.7m ($240m) from R410.8m, significently narrower margins and higher interest charges contributed to a drop in pre-tax profit to R7.6m from R28.2m.

The directors say thet sales of durables dropped to alarmingly low levels following austerity measures last July and August. They add thst prospects are not encouraging and thet sales will continue to be affected by unacceptably high interest rates and continuing erosion of disposable incomes.

Earnings dropped by more than two-third to 71 cents a share from 206 cents and the dividend bas been cut to 24 cents from 71 cents. Amrel is a 74 per cent-owned subsidiary of South African Breweries, the diversified beverages and consumer goods group.


DEVELOPMENT BANK OF THE PHILIPPINES

Kuwaiti Dinars 7,000,000 8¼% Bonds

Due 1985/1990

OPTION TO REDEEM ON OCTOBER 1st 1985

Notice is bereby given that under Condition 5(C) of the Bonds, the holders of any of the abovo Bonds shall have the option to have such Bond redeemed by the Bank at 100 per cent on October 1st 1985. To exercise the optioo the bolder of Bonds shall deposit the Bonds to be redeemed with the Fiscal Agent or any of the Paying Agents et the addresses given below from whom payment is required at any time between June 1st 1985 and June 30th 1985 (both dates inclusive).

Any Bonds so deposited may not be withdrawn withont the prior consent of the Bank.

FISCAL AGENT:

KUWAIT INTERNATIONAL INVESTMENT CO. s.a.k.
P.O. Box 22792, Gate No. 1, 5th Floor
Salhiya Commercial Complex, Kuwait

PAYING AGENTS:

KREDIETBANK S.A. LUXEMBOURGEOISE
37, Rue Notre Dame, Luxembourg

MORGAN GUARANTY TRUST CO. OF NEW YORK
35, Avenue des Arts, 1040 Brussels, Belgium

ABU DHABI INVESTMENT COMPANY
Sheik Kalifat Street, Abu Dhebi, U.A.E.

MERRILL LYNCH INTERNATIONAL BANK LTD
Merrill Lynch House, 3 Newgete Street
London EC1A 7DA, United Kingdom

by

Kuwait International Investment Co. s.a.k.

(fiscal agent)


## JAPANESE COMPANY RESULTS

**DAIEI — RETAIL STORES**

| Year to | Feb '85 Y | Feb '84 Y |
|---|---|---|
| Revenues (bn) | 1,444 | 1,394 |
| Pre-tax profits (bn) | 12.01 | 7.67 |
| Net profits (bn) | †6.84 | †11.89 |
| Net per share | †30.71 | †41.59 |

† Consolidated loss.

**KIRIN BREWERY — BEER**

| Year to | Jan '85 Y | Jan '84 Y |
|---|---|---|
| Revenues (bn) | 1,228 | 1,147 |
| Pre-tax profits (bn) | 70.80 | 53.41 |
| Net profits (bn) | 25.43 | 20.08 |
| Net per share | 28.86 | 23.33 |

**GREEN CROSS — PHARMACEUTICALS**

| Year to | Dec '84 Y | Dec '83 Y |
|---|---|---|
| Revenues (bn) | 86 | 90 |
| Pre-tax profits (bn) | 7.05 | 8.36 |
| Net profits (bn) | 2.54 | 3.81 |
| Net per share | 12.80 | 21.11 |

**SEKISUI HOUSE — PREFABRICATED HOMES**

| Year to | Jan '85 Y | Jan '84 Y |
|---|---|---|
| Revenues (bn) | 461 | 446 |
| Pre-tax profits (bn) | 18.61 | 15.98 |
| Net profits (bn) | 6.76 | 7.60 |
| Net per share | 23.66 | 20.82 |


NOTICE OF CALL AND REDEMPTION

To the Holders of

The Bank of Tokyo, Ltd., Seattle Branch

(Incorporated with limited liability in Japan)

US$50,000,000 Callable Negotiable Floating Rate Certificates of Deposit due May 16th, 1986 (the "Certificates")

Notice is hereby given that, pursuant to the provisions of the Certificates, The Bank of Tokyo, Ltd., Seattle Branch (the "Bank") will prepay the outstanding principal amount of the Certificates identified below in full on May 16th, 1985, the next Interest Payment Date, together with the interest accrued to that date. Payment will be made against presentation and surrender of said Certificates at The Bank of Tokyo Trust Company at 100 Broadway, New York, NY 10005. The Certificates being called are as follows:

| Issue Date | Number of Certificates | Principal Amount of Certificate | Aggregate Principal Amount |
|---|---|---|---|
| November 2, 1983 | 22<br>4 | $1,000,000<br>$500,000 | $24,000,000 |
| November 10, 1983 | 5<br>2 | $1,000,000<br>$500,000 | $6,000,000 |
| November 16, 1983 | 2<br>36 | $1,000,000<br>$500,000 | $20,000,000 |

The Bank of Tokyo, Ltd. Seattle Branch, 1111 Third Avenue, Seattle, Washington, 98101

BAT INDUSTRIES

NOTICE IS HEREBY GIVEN TO THE HOLDERS OF EURO-CURRENCY SECURITIES ISSUED BY:

B.A.T. INTERNATIONAL FINANCE P.L.C.
–7½% Guaranteed Bonds 1987
–10¾% Guaranteed Notes 1991
(Guaranteed by British-American Tobacco Co. Ltd and B.A.T. Industries p.l.c. respectively)

B.A.T. FINANCE B.V.
–11% Guaranteed Notes 1989
(Guaranteed by B.A.T. Industries p.l.c.)

The 1984 Report and Accounts of all companies referred to above are available on request from The Secretary, B.A.T. Industries p.l.c., 50 Victoria Street, London SW1H 0NL.


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to Holders of

JUGOBANKA UNITED BANK

Floating Rate Notes 1989

NOTICE IS HEREBY GIVEN by Barclays Bank PLC, as Fiscal Agent for the Jugobanka United Bank in respect of the Notes and Coupons, that in satisfaction of the obligations imposed by Condition 6 (a) of the Terms and Conditions applicable to the Notes, the Notes of US$10,000 prefix "A" and Notes of US$1,000 prefix "B" each bearing the serial numbers listed below have been drawn in manner approved by the Fiscal Agent for redemption on 30th May 1985 at their principal amount.

Notes of US$10,000 each:

| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 4 | 6 | 15 | 40 | 63 | 78 | 86 | 95 | 96 | 106 | 127 | 133 | 137 | 165 | 176 | 171 | 173 | 178 |
| 188 | 195 | 207 | 222 | 226 | 237 | 248 | 253 | 273 | 283 | 287 | 295 | 296 | 301 | 314 | 325 | 328 | 341 | 352 | 357 |
| 363 | 365 | 371 | 374 | 380 | 391 | 399 | 403 | 408 | 449 | 453 | 462 | 515 | 523 | 545 | 553 | 567 | 569 | 576 | 590 |
| 602 | 607 | 612 | 633 | 663 | 679 | 690 | 694 | 696 | 707 | 710 | 718 | 724 | 750 | 755 | 756 | 758 | 771 | 779 | 785 |
| 809 | 825 | 826 | 852 | 858 | 876 | 881 | 942 | 944 | 956 | 972 | 980 | 1006 | 1021 | 1022 | 1031 | 1037 | 1043 | 1045 | 1050 |
| 1061 | 1071 | 1077 | 1081 | 1082 | 1083 | 1084 | 1096 | 1112 | 1121 | 1144 | 1168 | 1173 | 1183 | 1186 | 1190 | 1217 | 1224 | 1245 | 1266 |
| 1275 | 1289 | 1296 | 1297 | 1302 | 1305 | 1324 | 1331 | 1338 | 1339 | 1340 | 1343 | 1348 | 1392 | 1396 | 1405 | 1407 | 1413 | 1414 | 1419 |
| 1426 | 1429 | 1431 | 1478 | 1482 | 1485 | 1491 | 1497 | 1509 | 1512 | 1514 | 1518 | 1525 | 1535 | 1542 | 1550 | 1566 | 1570 | 1591 | 1596 |
| 1597 | 1602 | 1608 | 1612 | 1613 | 1618 | 1624 | 1630 | 1634 | 1638 | 1639 | 1649 | 1665 | 1671 | 1680 | 1682 | 1692 | 1697 | 1714 | 1721 |
| 1732 | 1733 | 1755 | 1801 | 1819 | 1834 | 1847 | 1873 | 1900 | 1903 | 1917 | 1924 | 1939 | 1945 | 1947 | 1951 | 1968 | 1972 | 1993 | 1994 |
| 1999 | 2008 | 2020 | 2027 | 2030 | 2047 | 2048 | 2051 | 2070 | 2071 | 2072 | 2077 | 2086 | 2087 | 2090 | 2094 | 2100 | 2101 | 2108 | 2112 |
| 2118 | 2139 | 2148 | 2151 | 2152 | 2227 | 2245 | 2264 | 2271 | 2295 | 2309 | 2325 | 2326 | 2336 | 2344 | 2351 | 2366 | 2381 | 2387 | 2403 |
| 2405 | 2432 | 2441 | 2444 | 2445 | 2451 | 2458 | 2473 | 2492 | 2499 | | | | | | | | | | |

Notes of US$1,000 each:

[illegible]

| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 22210 | 22233 | 22278 | 22286 | 22291 | 22307 | 22314 | 22316 | 22324 | 22329 | 22335 | 22348 | 22351 | 22361 | 22377 | 22390 | 22393 | 22402 | 22408 | 22415 |
| 22417 | 22419 | 22428 | 22438 | 22439 | 22448 | 22458 | 22464 | 22483 | 22491 | 22496 | 22523 | 22532 | 22534 | 22539 | 22560 | 22578 | 22581 | 22588 | 22602 |
| 22606 | 22610 | 22616 | 22620 | 22634 | 22639 | 22657 | 22659 | 22669 | 22686 | 22689 | 22693 | 22696 | 22716 | 22728 | 22732 | 22738 | 22744 | 22763 | 22766 |
| 22771 | 22774 | 22775 | 22778 | 22780 | 22802 | 22815 | 22817 | 22816 | 22824 | 22827 | 22832 | 22854 | 22875 | 22879 | 22896 | 22903 | 22924 | 22950 | 22961 |
| 22986 | 22988 | 23003 | 23004 | 23005 | 23028 | 23043 | 23048 | 23052 | 23053 | 23055 | 23072 | 23084 | 23093 | 23111 | 23113 | 23115 | 23145 | 23122 | 23154 |
| 23164 | 23167 | 23172 | 23178 | 23188 | 23192 | 2319. | 23199 | 23216 | 23240 | 23246 | 23261 | 23278 | 23280 | 23289 | 23321 | 23322 | 23343 | 23362 | 23368 |
| 23375 | 23389 | 23392 | 23394 | 23416 | 23431 | 23434 | 23455 | 23466 | 23469 | 23478 | 23481 | 23494 | 23501 | 23509 | 23510 | 23529 | 23552 | 23540 | 23546 |
| 23558 | 23560 | 23574 | 23576 | 23598 | 23607 | 23619 | 23635 | 23640 | 23657 | 23658 | 23675 | 23694 | 23699 | 23745 | 23763 | 23764 | 23774 | 23786 | 23802 |
| 23805 | 23822 | 23828 | 23844 | 23854 | 23858 | 23864 | 23867 | 23873 | 23877 | 23885 | 23912 | 23922 | 23945 | 23957 | 23981 | 23999 | 24008 | 24021 | 24023 |
| 24026 | 24027 | 24031 | 24036 | 24038 | 24053 | 24056 | 24059 | 24060 | 24064 | 24076 | 24077 | 24078 | 24079 | 24085 | 24089 | 24102 | 24104 | 24144 | 24163 |
| 24166 | 24178 | 24184 | 24210 | 24222 | 24227 | 24244 | 24251 | 24255 | 24259 | 24266 | 24285 | 24296 | 24299 | 24311 | 24312 | 24313 | 24335 | 24348 | 24361 |
| 24401 | 24415 | 24431 | 24433 | 24442 | 24452 | 24457 | 24471 | 24476 | 24500 | 24512 | 24514 | 24515 | 24517 | 24525 | 24526 | 24539 | 24561 | 24566 | 24585 |
| 24634 | 24653 | 24666 | 24670 | 24673 | 24678 | 24687 | 24703 | 24734 | 24738 | 24740 | 24742 | 24746 | 24753 | 24758 | 24769 | 24770 | 24788 | 24790 | 24813 |
| 24814 | 24837 | 24840 | 24848 | 24852 | 24861 | 24869 | 24876 | 24881 | 24883 | 24887 | 24900 | 24929 | 24949 | 24959 | 24983 | 24985 | 24987 | 24997 | 25000 |

Notes not listed above are not affected by this redemption.

The Socialist Federal Republic of Yugoslavia has commenced negotiations with the International Co-ordinating Committee (on behalf of commercial banks) with a view to restructuring indebtedness due to commercial banks falling due in the calendar years 1985 to 1988 inclusive.

Noteholders who are banks or financial institutions holding Notes beneficially for their own account and whose Notes are included within the above numbers drawn for redemption are advised that, under the negotiations referred to above, it is presently envisaged that the same categories of debt restructured in 1984 will also be restructured in 1985 to 1988. In the event that this position remains unchanged when terms are agreed at the conclusion of negotiations, relevant Noteholders are advised that the amounts drawn for redemption as above will be eligible for inclusion in the proposed restructuring.

Any bank or financial institution which holds beneficially such Notes drawn for redemption should contact Peat, Marwick, Mitchell & Co., 1 Puddle Dock, Blackfriars, London EC4V 3PD (Telex 881154l) (which has been asked by the International Co-ordinating Committee to co-ordinate potential claims) to advise as soon as possible its potential claim in the 1985 restructuring. Claims in the restructurings for 1986, 1987 or 1988 cannot be determined until the drawings for redemption in those years have taken place.

Subject to these arrangements, all other Notes drawn for redemption will become due for payment on 30th May 1985. Such Notes with Coupon No. 13 attached should be presented at the office of any of the Paying Agents.

Coupon No. 12 of all Notes, relating to the Interest Payment due 30th May 1985, should be detached and encashed in the usual manner. US$40,000,000 nominal of the Notes will remain outstanding following repayment of the above-mentioned drawn Notes.

The following Notes drawn for redemption on 30th May 1984 have not yet been presented for payment.

1984 UNPRESENTED NOTES
US$10,000 NOMINAL (Prefix "A")

28 729 733 735 736 764 794 821 832 843

1984 UNPRESENTED NOTES
US$1,000 NOMINAL (Prefix "B")

[illegible]

Fiscal Agent, BARCLAYS BANK PLC, 54 LOMBARD STREET, LONDON EC3P 3AH.

30th April, 1985

# INTERNATIONAL COMPANIES and FINANCE

## N. AMERICAN QUARTERLY RESULTS

**ANHEUSER-BUSCH**
Largest U.S. brewer

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 1.64bn | 1.47bn |
| Net profits | 90.5m | 77.7m |
| Net per share | 1.73 | 1.46 |

**AVNET**
Electronic components, electric motors

| Third quarter | 1984-85 | 1983-84 |
|---|---|---|
| | $ | $ |
| Revenue | 362.3m | 427.7m |
| Net profits | 9.7m | 22.9m |
| Net per share | 0.27 | 0.64 |
| *Nine months* | | |
| Revenue | 1.2bn | 1.2bn |
| Net profits | 41.8m | 62.9m |
| Net per share | 1.17 | 1.77 |

**BALLY MANUFACTURING**
Gaming eqpt., hotels and casinos

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 263.7m | 272.7m |
| Net profits | 4.7m | 300,000 |
| Net per share | 0.12 | 0.01 |

**BAKER INTERNATIONAL**
Oilfield & mining services

| Six months | 1984-85 | 1983-84 |
|---|---|---|
| | $ | $ |
| Revenue | 928.9m | 880.9m |
| Net profits | 38.7m | 27m |
| Net per share | 0.55 | 0.36 |

**BP CANADA**
Energy

| First quarter | 1985 | 1984 |
|---|---|---|
| | C$ | C$ |
| Revenue | 67.7m | 65.2m |
| Net profits | 13.4m | 13.1m |
| Net per share | 0.62 | 0.01 |

**BROWNING-FERRIS**
Waste disposal

| Second quarter | 1984-85 | 1983-84 |
|---|---|---|
| | $ | $ |
| Revenue | 269.5m | 231.09m |
| Net profits | 23.98m | 16.92m |
| Net per share | 0.69 | 0.50 |

**BRUNSWICK**
Marine, recreational products

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 369.4m | 377.8m |
| Net profits | 29.2m | 23m |
| Net per share | 1.08 | 1.09 |

**CANADA DEVELOPMENT**
Investment holding

| First quarter | 1985 | 1984 |
|---|---|---|
| | C$ | C$ |
| Revenue | 1.08bn | 1.01bn |
| Net profits | 13.1m | 1.4m |
| Net per share | 0.04 | †0.28 |

† Loss

**CENTEL**
Telephone, electric utilities

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 326.7m | 324.9m |
| Net profits | 31.4m | 29.1m |
| Net per share | 1.13 | 1.04 |

**CONTINENTAL AIR**
Passenger carrier

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 363.1m | 217.7m |
| Net profits | 15.1m | 14.9m |
| Net per share | 0.56 | |

1 Loss

**EG & G**
Electronics equipment

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 273.5m | 246.5m |
| Net profits | 12.5m | 13.9m |
| Net per share | 0.47 | 0.46 |

**ENGELHARD**
Metals refiner, minerals

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 575.2m | 642.7m |
| Net profits | 11.7m | †15.6m |
| Net per share | 0.44 | 10.56 |

† Loss

**ERBAMONT**
Pharmaceuticals

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 180m | 160m |
| Net profits | 9.1m | 7.5m |
| Net per share | 0.21 | 0.17 |

**GENENTECH**
Biotechnology

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 20.2m | 15.3m |
| Net profits | 715,000 | 386,000 |
| Net per share | 0.05 | 0.03 |

**GULF CANADA**
Petroleum refining

| First quarter | 1985 | 1984 |
|---|---|---|
| | C$ | C$ |
| Revenue | 1.27bn | 1.31bn |
| Net profits | 97.0m | 73.0m |
| Net per share | 0.43 | 0.32 |

**HASBRO BRADLEY**
Toys and games

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 235.9m | 63.5m |
| Net profits | 16.8m | 5.0m |
| Net per share | 0.63 | 0.29 |

**HOOVER**
Household appliances

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 169.7m | 136.1m |
| Net profits | 11.1m | 11.9m |
| Net per share | 0.90 | 0.96 |

**INGERSOLL-RAND**
Air compressors, industrial eqpt.

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 631.2m | 572.5m |
| Net profits | 14.2m | 7.4m |
| Net per share | 0.66 | 0.20 |

**KELLOGG**
Ready-to-eat-cereals

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 703.6m | 647.1m |
| Net profits | 71.1m | 69.8m |
| Net per share | 1.15 | 0.91 |

**LEAR SIEGLER**
Aerospace, industrial products

| Third quarter | 1984-85 | 1983-84 |
|---|---|---|
| | $ | $ |
| Revenue | 591.8m | 542.5m |
| Net profits | 24.7m | 31.9m |
| Net per share | 1.35 | 1.30 |
| *Nine months* | | |
| Revenue | 1.74bn | 1.31bn |
| Net profits | 66.1m | 80m |
| Net per share | 3.62 | 3.32 |

**MACLEAN HUNTER**
Publishing, broadcasting

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 224.5m | 208.5m |
| Net profits | 9.7m | 7.3m |
| Net per share | 0.27 | 0.21 |

**NL INDUSTRIES**
Oil services, chemicals, metals

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 327.4m | 315.2m |
| Net profits | 4.4m | 912,000 |
| Net per share | 0.06 | — |

**OCEAN DRILLING & EXPLORATION**
Oil & gas

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 167.7m | 185.9m |
| Net profits | 13m | 23.2m |
| Net per share | 0.25 | 0.45 |

**OGDEN CORPORATION**
Diversified services

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 574.3m | 528.9m |
| Net profits | 12.0m | 11.7m |
| Net per share | 0.63 | 0.61 |

**PENNZOIL**
Natural resources

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 577.6m | 608.3m |
| Net profits | 57.4m | 69.2m |
| Net per share | 1.20 | 1.25 |

**PITNEY BOWES**
Mailing systems, word processors

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 413.7m | 421.3m |
| Net profits | 31.6m | 28.8m |
| Net per share | 0.80 | 0.75 |

**POLAROID**
Instant photography

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 261.7m | 268.3m |
| Net profits | 113.8m | 6.4m |
| Net per share | 10.45 | 0.21 |

1 Loss includes $30m pre-tax reserve for severance plan

**QUAKER OATS**
Foods, toys and mail order

| Third quarter | 1984-85 | 1983-84 |
|---|---|---|
| | $ | $ |
| Revenue | 820.5m | 808.7m |
| Net profits | 36.4m | 28.9m |
| Net per share | 0.86 | 0.64 |
| *Nine months* | | |
| Revenue | 2.59bn | 2.42bn |
| Net profits | 93.4m | 88.7m |
| Net per share | 2.22 | 2.16 |

**SONAT**
Gas transmission, oilfield svcs.

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 845.6m | 845.5m |
| Op. Net profits | 48.2m | 64m |
| Op. Net per share | 1.22 | 1.59 |

**SQUIBB**
Drugs, cosmetics

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 453.1m | 428.8m |
| Net profits | 42.3m | 36.9m |
| Net per share | 0.78 | 0.68 |

**TEXAS EASTERN**
Gas pipelines, oil

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 1.52bn | 1.48bn |
| Net profits | 44.3m | 59.2m |
| Net per share | 0.85 | 1.13 |

**TEXAS UTILITIES**
Electric utility

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 907.2m | 838.5m |
| Net profits | 116.9m | 105.2m |
| Net per share | 0.90 | 0.84 |

**TEXTRON**
Aerospace, electronics

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | *90.4m | — |
| Net profits | 1.68 | 26.5m |
| Net per share | 1.35 | 0.72 |

† Includes $11.3m gain on accounting change

**TIGER INTERNATIONAL**
Air freight

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 270m | 278.3m |
| Net profits | 4.7m† | 7m† |
| Net per share | 0.21† | 0.34† |

† Loss

**TIMES MIRROR**
Newspapers, forest products

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 886m | 969.8m |
| Net profits | 44.2m | 43.3m |
| Net per share | 0.64 | 0.63 |

**TRIBUNE**
Newspapers, broadcasting

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 449.4m | 394.4m |
| Net profits | 16.8m | 9.8m |
| Net per share | 0.41 | 0.25 |

**USF & G**
Property/casualty insurance

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 770.1m | 639.8m |
| Net profits | †17.1m | 25.7m |
| Net per share | †0.32 | 0.48 |

† Loss

**VARIAN ASSOCIATES**
High tech products

| Second quarter | 1984-85 | 1983-84 |
|---|---|---|
| | $ | $ |
| Revenue | 246.4m | 228.3m |
| Op. Net profits | 12.8m | 15.5m |
| Op. Net per share | 0.55 | 0.71 |
| *Six months* | | |
| Revenue | 474.9m | 422m |
| Op. Net profits | 28.3m | 28.5m |
| Op. Net per share | 1.19 | 1.30 |

**WASHINGTON POST**
Newspapers, magazines

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 243.8m | 216.5m |
| Net profits | 24.9m | 8.1m |
| Net per share | 1.78 | 0.64 |

**WASTE MANAGEMENT**
Waste disposal

| First quarter | 1985 | 1984 |
|---|---|---|
| | $ | $ |
| Revenue | 373.8m | 277m |
| Net profits | 38.8m | 31.2m |
| Net per share | 0.75 | 0.86 |


*This announcement appears for purposes of record.*

**$250,000,000**

**Chevron Corporation**

**$125,000,000 Note due February 20, 1989**

**$125,000,000 Note due February 20, 1990**

*The private sale of the above Notes was negotiated by the undersigned.*

**Dillon, Read & Co. Inc.**

April 29, 1985



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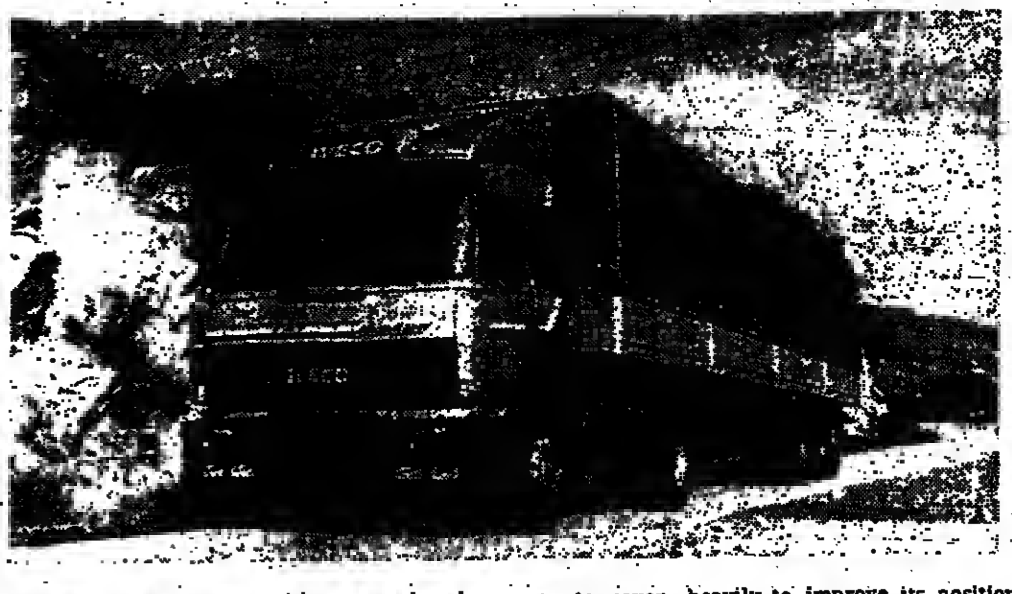
New chief leads an abrupt change. **Kenneth Gooding** reports

# Garuzzo steers Iveco to recovery



THE ABRUPT change of direction by Iveco, the Fiat-owned group which is Western Europe's second-largest heavy truck producer, seems to be having the desired effect.

The company has operated profitably so far this year, and in 1985 expects to produce about 100,000 vehicles, well above break-even level.

According to Sig Giorgio Garuzzo, the managing director, that break-even point has been reduced from an annual output of 120,000 five years ago to about 90,000 vehicles.

Sig Garuzzo moved into the driving seat in May last year. His predecessor, Sig Giorgio Manina, for three years had attempted to get Iveco back to profit by going for growth—boosting its share of world truck markets and European markets in particular.

When it became apparent this strategy was doomed to failure, Sig Garuzzo was brought in to cut costs in all areas to bring down the level of output at which Iveco breaks even.

Output was 93,000 vehicles in 1984 and Iveco did better at the operating level. But the financial results were hit by the one-off cost of the closure of Iveco's medium-truck plant at Trappes in France and the 1,250 redundancies involved.

As a result, says Sig Garuzzo, Iveco's loss for 1984 was larger than the Fl 233m ($65.6m) suffered in 1983. Full details of the financial results from the Amsterdam-registered company will be released in a month or so.

Iveco closed a bus plant at Mainz in West Germany in 1980 with 1,400 job losses and, with other measures, the workforce has been reduced from 48,000 in 1981 to 35,000. Of that total, 22,000 are in Italy, 6,000 in West Germany and 3,500 in France, the three countries in which Iveco has production operations.

Sig Garuzzo says Iveco will continue to whittle away at its cost base but insists there will be no plant closures in 1985.

This will give some comfort to employees at the bus plant at Fourchambault, near Lyons in France which has seemed threatened by closure. The European bus business is in a poor state and Iveco is not the only producer to feel the pinch. About 20 employees are laid off at Iveco's bus factory in Valle Ufita, Italy.

Iveco was formed in 1975 and brought together the commercial vehicle interests of Fiat—including Lancia and OM in Italy and Unic in France—with those of Magirus in West Germany.

This gave the group three "home" markets. But the recent closures have caused considerable concern outside Italy and Iveco has constantly had to reassure employees it remains committed to production in France and Germany, as well as Italy.

For example, Iveco balanced the news of the Trappes plant closure with an announcement that it would spend FFr 300m ($31.5m) at the Bourbon Lancy factory where 20,000 diesel engines a year are built.

Iveco is one of the world's major diesel engine producers with a total output of just under 250,000 last year (and a forecast production of just over 250,000 for 1985), mainly from the Sofim plant at Fogia in Southern Italy.

Diesels accounted for 20 per cent of Iveco's turnover of L4.522bn ($2.261bn), up from L4.466bn in 1983.

Iveco's total capital investment last year, L104bn, will increase in 1985 by about 10 per cent, says Sig Garuzzo. There will be a similar rise in the research and development expenditure: L159bn in 1984.

He insists that Iveco remains committed to being a full-line truck producer with a range from three tonnes to the heaviest weights permitted on or off the road. "Iveco has done more than any other company to renew its entire range in recent time," he claims. "We are one of the few companies in the world to offer a comprehensive range to cover every sector of the commercial vehicle market. We can also satisfy the specific requirements of a vast number of countries in both industrialised and developing areas."

In 1984 improvements were made to the heavyweight "T" truck range, and Iveco's premium truck, the TurboStar, was launched.

Output of the TurboStar was forecast to be 15 a day this year. But Iveco is producing 25 a day and the demand is for 30. Sig Garuzzo says there are orders for 5,500 on the books and half the orders so far have been from customers who have not bought Iveco vehicles before.

This year, Iveco launched at the recent Turin Truck Show what it claims to be the world's first 2445 cc, high-speed, turbo-charged, direct-injection diesel engine. The unit will power versions of the Daily and Grina vans.

Sig Garuzzo maintains that Iveco's vans can take on the best in the world and points as proof to the fact that his company has just won a hard-fought battle for a major licensing deal with China. Under the terms of the contract, the Chinese will produce 60,000 Iveco vans and 80,000 diesel engines a year.

However, competitors believe that the deal was clinched in Iveco's favour by the Italian Government's willingness to provide China with "soft" credit of $100m for production equipment from Italian suppliers.

Iveco continues to spend heavily to improve its position in the European market where last year its share of the over-3 tonne truck sector fell from 16 per cent to 15.5 per cent—mainly because of setbacks in France. The fall in sales in France had nothing to do with any reaction to the closure of Trappes but was "because we refused to join in the discount war there," maintains Sig Garuzzo.

Iveco has set up a special heavy vehicle service network on the major European routes with 250 points.

Two years ago, the company launched into the heavily-guarded Spanish truck market. It sold 400 vehicles in the first 12 months and last year sales reached 1,200. "The financial results are equally satisfying in spite of the tariff barriers," comments Sig Garuzzo.

Iveco remains relatively modest in its ambitions for the U.S., the world's largest truck market. After a number of false starts it is now selling versions of its Z range heavy vans with diesel engines in the States. Last year, as demand for trucks soared in the U.S., Iveco's sales rose by 24 per cent to 3,200 and are forecast to go up to 4,000 in 1985.

However, Sig Giancarlo Boschetti, the commercial director, in charge of the U.S. venture, says Iveco has no intention of extending the range of vehicles offered in the U.S. The market niche in which the vans are placed is so small that it is unlikely Iveco would ever need an assembly plant in the States, he adds.

## FT COMMERCIAL LAW REPORT

# Surgeon rejects repudiated contract

BLISS v SOUTH EAST THAMES HEALTH AUTHORITY

*Court of Appeal: (Lord Justice Cumming-Bruce, Lord Justice Dillon and Mrs Justice Heilbron): April 24 1985*

**AN EMPLOYER who requires an employee to undergo psychiatric examination without reasonable cause and suspends him on his refusal, commits a breach of the contract of employment so fundamental as to amount to repudiation; and if it later drops the requirement and lifts the suspension, giving the employee extended time to decide whether to return to work, his continued acceptance of salary does not preclude him from eventually deciding to reject the contract and to seek damages for repudiation.**

The Court of Appeal so held when allowing an appeal by Mr Anothy Bliss, an orthopaedic surgeon, from a decision of Mr Justice Farquharson (*FT, December 1 1983*). The judge had held that though Mr Bliss's contract of employment was repudiated by his employer, the South Thames Health Authority, he had later affirmed the contract by his conduct and was no longer entitled to treat it as at an end.

* * *

LORD JUSTICE DILLON said that Mr Bliss was appointed consultant orthopaedic surgeon at Medway Hospital in 1970. He was a man of great professional skill.

A few years later a Mr Hay was also appointed. He and Mr Bliss had been friends but by the summer of 1979 the relationship between them was appalling.

One factor which played a major part in the deterioration of their relationship was that Mr Hay swore an affidavit in support of Mr Bliss's wife on the breakdown on his first marriage.

By 1979 Mr Bliss was generally regarded in the hospital as a difficult colleague. In the summer of that year he was offered a six-month appointment in Australia. He was granted leave and left in October. Before he left he appointed a locum to do his consultancy work.

Two more major disputes broke out between him and Mr Hay, one just before and the other just after his departure.

The first concerned the appointment of another orthopaedic consultant. It was customary that the senior consultant should sit on the interviewing committee. Mr Hay proposed that he and not Mr Bliss should sit on it, and his proposal was endorsed. Mr Bliss was very angry.

The other dispute concerned a weekly children's orthopaedic clinic which had been one of Mr Bliss's special interests at the hospital. He had arranged that his locum would continue the clinic during his absence. Within a couple of days of his departure Mr Hay took over the clinic and directed the locum to devote himself to patients who were no concern of Mr Bliss's.

There followed a stream of very angry letters from Mr Bliss in Australia.

Although at times Mr Hay wrote apparently conciliatory letters to Mr Bliss, he went behind his back and wrote to the Regional Medical Officer (RMO) stating that Mr Bliss's condition "causes us to seriously doubt the balance of his mind." His wife, a consultant psychiatrist, wrote to a member of the district management team describing Mr Bliss as a "paranoid personality" and expressing doubt as to the balance of his mind.

The hospital had adopted proposals set out in a National Health circular issued by the Ministry of Health in May 1960, known as HM 60 (45). The circular was an attempt to deal with the problem that a doctor or surgeon might, through physical or mental disability, become unfit to treat patients.

It proposed that each hospital should have a committee of three, known as the "Three Wise Men," to receive in confidence and take appropriate action on any report of incapacity of medical staff.

Against the background of the Australian correspondence, the Three Wise Men were called into action. They had a meeting on March 13 1980, and on March 20 the RMO spoke to two of them. He later made a file note that the Three Wise Men had met and felt there was a risk to patients as a result of Mr Bliss's behaviour.

He envisaged the possibility of getting an independent medical report on Mr Bliss's condition.

The actual report of the Three Wise Men, issued on April 16, stated that the Australian letters did not show pathological behaviour, but showed a severe degree of breakdown in the orthopaedic department. That diagnosis was correct.

The RMO arranged an appointment for Mr Bliss to see him on April 21, his first day back at the hospital. He did not mention what he wanted to see him about. Mr Bliss commented to his secretary that the proposed meeting sounded like a waste of time, and did not attend.

On the same day the RMO wrote to Mr Bliss inviting him to undergo a medical examination. He replied in characteristically forthright terms. The RMO put the matter in the hands of the chairman of the Health Authority, who also required Mr Bliss to undergo medical examination. He refused, and on June 16 he was suspended from his post and refused access to the hospital.

In September disciplinary charges were brought against Mr Bliss under the National Health Service Regulations, and a Committee of Inquiry was set up to investigate the charges.

The committee produced its report in July 1981. The court understood that it showed up Mr Hay's duplicity, and blamed him for the matters which had so angered Mr Bliss in Australia. It commented on the "inexcusable offensiveness" of some of Mr Bliss's letters, though recognising they were written under intense provocation. Apart from that it acquitted him of the charges.

On July 16 the Health Authority withdrew the requirement that Mr Bliss submit to medical examination, and lifted his suspension. It accepted that he would not return to duty immediately and gave him till the end of August to let it know his intentions. In August he was granted an extension of time till the end of September, to enable him to get legal advice.

On September 25 his solicitors wrote asserting that the Authority's action constituted a repudiation of his contract of employment, which he elected to accept. He therefore never returned to work after his suspension but, from July 16 1981 to the end of September, he continued to receive his salary.

The Authority had power to require Mr Bliss to undergo medical examination only against the background of circular HM60(45), and in relation to an inquiry by the Three Wise Men in accordance with the procedure set up by that circular.

There was no general power in an employer to require employees to undergo psychiatric examination and there was no other relevant specific power in Mr Bliss's contract of employment or under the National Health scheme.

The view expressed in the report of the Three Wise Men was that there was no mental or pathological illness, but merely a severe degree of breakdown of personal relationships.

It followed that the authority was in breach of contract in requiring Mr Bliss to submit himself to medical examination, and in suspending him when he refused to do so.

Was it then a repudiatory breach which would entitle him to treat the contract as at an end and claim damages on that footing?

It would be difficult in this area of employment law to think of anything more calculated or likely to destroy the relationship of confidence and trust between employer and employee than, without reasonable cause, to require a consultant surgeon to undergo psychiatric examination and suspend him on refusal.

There was a continuing repudiatory breach of contract until the suspension was lifted and the requirement of medical examination dropped.

The question was whether, after his suspension was lifted, Mr Bliss, by his conduct, affirmed the contract so as to preclude him from accepting the repudiation.

Mr Justice Farquharson's view was that, even allowing a period of indulgence after the lifting of the suspension, Mr Bliss should by the end of July, have refused to accept any further payments of salary pending his decision whether to affirm or reject the contract. As he did not do so, the judge held, he must be taken to have affirmed the contract and lost his right to elect to treat it as repudiated.

In *Western Excavating [1978] ICR 221,226* Lord Denning MR said "he must make his mind up soon after the conduct of which he complains." And in *WE Cox Toner [1981] ICR 823,828* Mr Justice Browne-Wilkinson said of delay in electing, that "if it is prolonged it may be evidence of an implied affirmation."

Those, however, were merely guidelines to be applied to the facts of any particular case.

In the present case the cardinal factor was that the Authority was repeatedly prepared to give Mr Bliss time to make up his mind and to pay him his salary while he was doing so.

The judge took the view that the time allowed was to enable him to make up his mind whether to return to duty and not to give him an opportunity to consider whether to treat the contract as at an end.

That was an unreal distinction because the two were essentially the same. If Mr Bliss decided not to return to work, he was electing to treat the contract as being at an end.

On the facts of the case therefore, he did not waive his right to treat the contract as repudiated. The appeal was allowed.

A cross-appeal was allowed to the extent of disallowing the judge's award of £2,000 general damages with interest for frustration and mental distress.

The general rule laid down in *Addis [1909] AC 488* was that where damages were assessed for breach of contract rather than in tort, it was not permissible to award general damages for frustration, mental distress, injured feelings or annoyance. There were exceptions but they did not cover the present case.

Lord Justice Cumming-Bruce and Mrs Justice Heilbron agreed.

*For Mr Bliss: Frederic Reynold QC and Michael Brompton (Argles & Court, Maidstone).*

*For the Health Authority: Jonathon Playford QC and Charles Gibson (Bird & Bird).*

**By Rachel Davies**
*Barrister*

هكذا من الأصل

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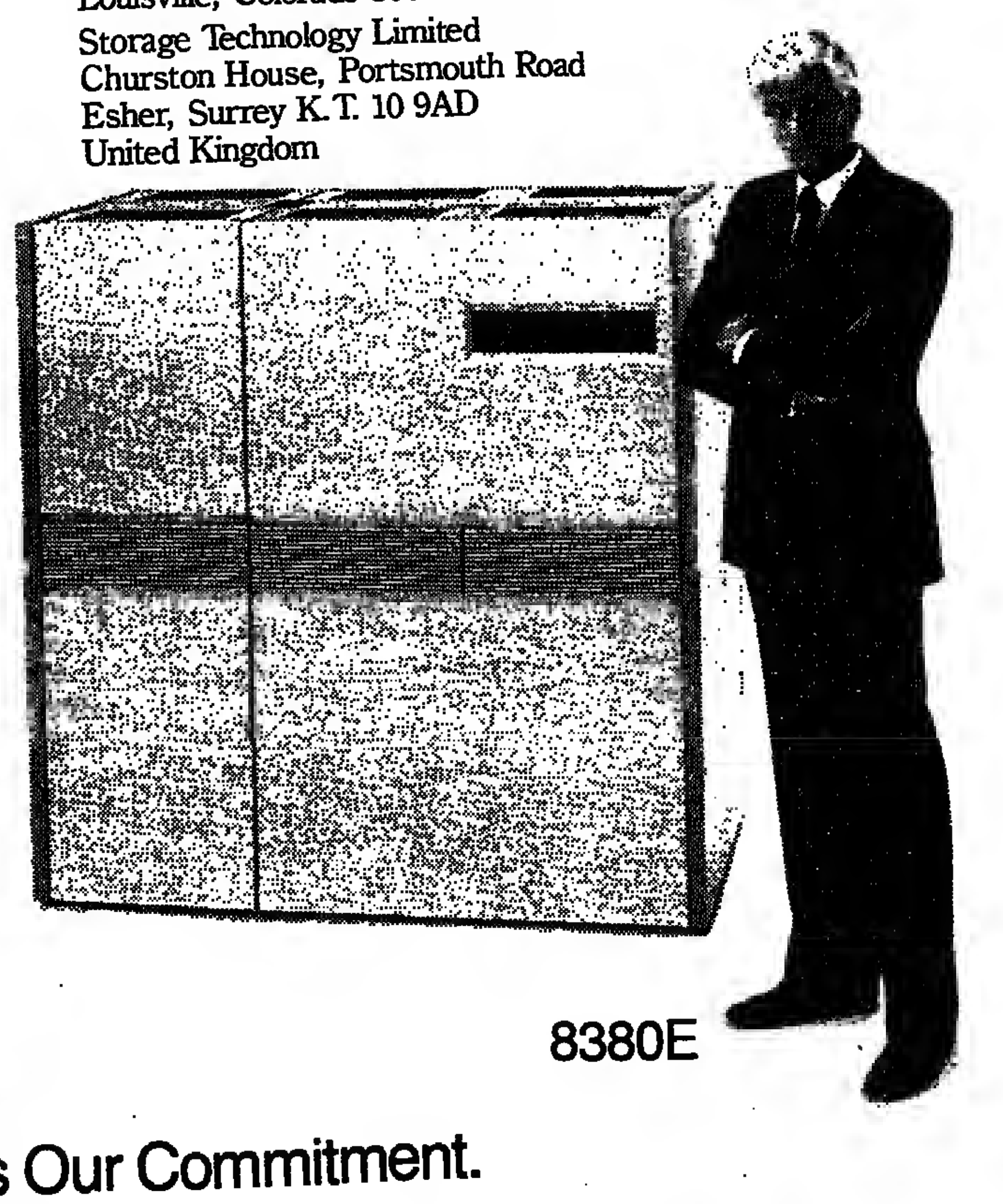

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# UK COMPANY NEWS

## Tarmac beats City estimates with £20m rise

A SURGE of £20m to £109.6m in pre-tax profits for 1984 is reported by Tarmac. The dividend is lifted from 13.6p to 16p net and there is to be a 1-for-1 scrip issue.

The figures are better than the City estimated. Analysts were looking for a profit rise to some £108m at the top end, and a dividend of, perhaps, 15p. The final now announced is 12p.

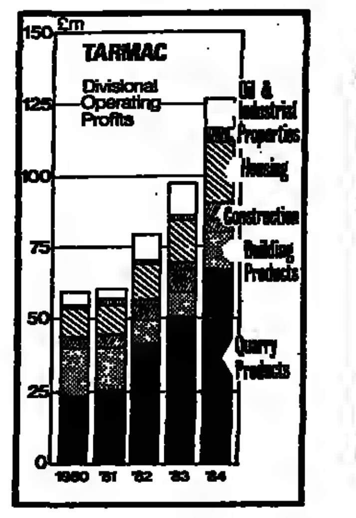
As expected, the biggest growth in profit came from the quarry products side, where the operating balance rose by £16.4m to £67m.

Chairman Mr Eric Pountain says that while a significant part of growth was associated with the heavy acquisition programme in that division, of equal importance has been the organic expansion of other sectors, particularly housing (where profits rose 51 per cent) and construction.

On the current year, he says the group is looking to it as one of further progress. Exceptionally bad weather in January and February meant a slow start, but "order books in the quarry products and construction divisions are encouraging, as are sales of new houses in the housing division."

Recent acquisitions in the U.S. have started the year well, the chairman tells shareholders.

In 1984 group turnover expanded from £1.16bn to £1.32bn, and the operating profit moved ahead from £95.6m to £123.6m. Divisional contributions were quarry products £490.8m (£414.2m) and £67m (£50.6m), building products £198.4m (£197.4m) and £12.5m (£9.2m), construction £312m (£301.9m) and £9.3m (£8.4m), housing £213m (£174.6m) and £24.1m (£16m), properties £36.4m (£19.2m) and £2.7m (£1.7m), oil and industrial £70.6m (£53.2m) and £11.3m (£11.6m), less central costs £3.1m (£2.1m).




Mr Eric Pountain, chairman of Tarmac

Interest charges showed a heavy increase, from £6m to £14.2m. After much heavier tax £38.2m (£24.2m) and same again minorities £800,000, the net profit comes out at £70.6m (£64.6m) for earnings of 51.6p (48.5p) per share.

On top of this there are extraordinary losses and provisions for losses on closures and rationalisation of £4.8m (£4m). Dividends absorb £24m (£18.5m).

The year was "very active" on the development front. Capital expenditure amounted to £229m of which some £150m related to corporate and asset acquisitions. These included the clay brick company, Westbrick; the concrete products activities of RBS Brooklyns and Francis Parker, the readymixed concrete, block making and quarrying assets of Lone Star Industries in Florida; four further quarrying and ready mixed concrete companies in Texas; a 0.25 per cent interest in the BP Forties field; the industrial door company, Bolton Gate; and the offshore project management company Pasco Engineering.

Mr Pountain says in quarry products several strategic acquisitions were made in the UK and, more particularly, in the U.S. The UK purchase took the division into brick manufacture for the first time, strengthened its position in building blocks and added to its mineral resources.

Acquisitions in America made the division a significant quarry company in Florida and Texas for the first time. The Lone Star assets made no contribution to results in 1984 but are expected to make a "significant contribution" from 1985 on. The South African activities improved on last year's profit in spite of the depressed economic conditions.

The building products division's manufacturing companies (roofing felt, mastic asphalt and insulation) had a good year. Bolton Gate made a significant contribution, and the roofing and cladding contractor, Briggs Amasco, had an excellent year. The contracting company in France, SPAPA, performed poorly and a major restructuring has been carried out.

Several important contracts were won by the construction division in the UK and overseas, against heavy competition.

In housing more than 7,100 new homes were sold during the year, compared with 6,200. The division anticipates further growth in 1985. The properties side experienced better market conditions.

The oil and industrial division benefited from a full year's contribution from its interest in Forties. The operating profit was, however, adversely affected by the deterioration in the sterling/dollar exchange rate, which reduced the contribution from the two refineries. The foundry businesses again performed well.

See Lex

## PSM beats prospectus forecast with £2.6m

PSM International, one of last year's newcomers to the Stock Exchange, yesterday unveiled better than forecast taxable profits of £2.55m for 1984 with the UK manufacturing side of the business more than trebling its contribution to £1.23m.

And Mr J. M. Tildesley, the chairman and managing director of this industrial fastener manufacturer, commenting on prospects says that "trading in the first three months has been encouraging in most sectors of the group's activities.

"The volume of UK production and sales are at budgeted levels." he says and adds that "we are particularly pleased with the performance in continental Europe where growth expectations are being exceeded."

The results for 1984 compare with 1983s £1.06m and last November's prospectus forecast of £2.4m. As promised the single final dividend is 3.15p, covered more than four-fold by stated earnings per share of 14.5p.

Mr Tildesley says that the group is examining a number of expansion opportunities to further strengthen the manufacturing and distribution base.

Turnover in 1984 totalled £14.13m, against £11.15m, with £5.84m (£5.56m) attributable to UK Manufacturing. UK distribution accounted for £4.19m (£3.26m) and produced profits of £936,000 (£483,000), whilst overseas turnover came to £4.1m (£2.33m) and profits £391,000 (£205,000).

Group trading profits were more than doubled at £2.49m (£984,000)—the taxable result included a £68,000 (£77,000) share of related company results. The tax charge was £1m (£409,000), leaving a net balance of £1.55m (£652,000). Dividends will account for £140,000.

**• comment**

PSM has had a bumper year. Margins have more than doubled as last year's start up costs in the UK manufacturing division have been absorbed, and as the distribution network, on which mark-ups can be very large indeed, has been extended. Further growth in profits will now have to come via a higher turnover, with an increasing amount of that from overseas. In the current year, PSM has been feeling the pinch both from the decline in the personal computer market, and from the slowdown in the U.S. economy. However, with 11,000 customers placed in different industries around the world (the largest account is IBM which represents only 2 per cent of turnover) PSM shouldn't suffer unduly. There is still a huge market abroad for specialist fasteners, and PSM should be able to increase its share via a planned £60,000 overseas expansion this year, which includes a £100,000 joint venture in Japan. Gearing, which is now around 17 per cent should present no problem, and is expected to be at the same level at year end. Assuming profits of £3.1m for 1984 the shares at 179p are trading on an undemanding earnings multiple of 12 given a 40 per cent tax charge.

## Strong recovery lifts Ropner to a record £7.97m

ALL TRADING operations of Ropner improved their returns during 1984 and enabled the group to lift its profits before tax from a depressed £3.39m to a record £7.97m.

Group turnover rose by some £18m to £58.12m.

Shareholders benefit from the better results by way of an increased final dividend of 4p (2.75p), which raises the total by 1.75p to 6.25p net per 25p share.

The engineering activities pushed their profits contribution up by £1.28m to £3.42m and the garden products side improved by a like amount, rising from £1.44m to £2.73m. Elsewhere, insurance broking advanced to £402,000 (£145,000), property development to £1.62m (£68,000 loss) and shipping to £1.57m (£1.15m). Investment income not directly related to trading activities fell from £841,000 to £441,000.

Pre-tax profits were struck after deducting similar interest charges of £2.22m (£2.26m).

Tax accounted for £3.43m (£1.65m) and minorities for £182,000 (£29,000).

Attributable profits came through some £2.06m down at £4.35m, although figures for the previous year took in extraordinary credits of £4.7m.

Earnings per share rose from 5.9p to 17.7p.

NO 20—7½/6

The engineering companies generally had a good year—Airtech especially so, where the arrears in the 1983 Ptarmigan programme were recovered and stage 11 of this project, which was awarded during the year, was commenced.

Contracts for the supply of electronic naval communications equipment continued. Airtech finished the year with high order books.

Hozelock-ASL achieved a profit increase of 90 per cent over 1983.

Prospects for 1985 are described as "excellent."

**• comment**

Although Ropner shares have doubled in the past year, the City was rather surprised by yesterday's news of a 135 per cent pre-tax profits increase and the non-voting A shares jumped 17p to 185p, after touching 190p. It seems that while the strong increase in garden products profits was expected in the wake of the ASL acquisition in 1983, the market was surprised by the size of the increase in engineering and property profits, both of which tend to be rather lumpy. Engineering is dependent on defence work and suffered in the previous year from payment delays; property saw the completion of several important projects. Much more modest progress is expected this year, since property is unlikely to have another bumper crop of completions, although engineering and garden products are both flush with orders. However, the group should reach £8.5m which, on a 40 per cent tax charge, puts the shares on a multiple of just under 9. This is high enough given the group's continuing commitment to shipping—its makes losses, and charter contracts on the other five ships begin to run out in 1986. At that stage the controlling Ropner family will have to think very hard about the possibility of running down the business on which the group was originally founded.

## Rothschild lifts stake in Tootal to 9%

J. Rothschild Holdings, Mr Jacob Rothschild's investment company, has bought a further 1.6m shares in Tootal, Britain's fourth largest textile group, in a move which takes its total stake to 16.17m shares or 9.1 per cent of the Tootal equity.

Rothschild's surprise intervention on April 17, the final day of the £128m takeover bid battle between Tootal and Entrad, the Australian textile group, thwarted Entrad's ambitions.

Since Rothschild's first announcement that it held a 6.4 per cent stake it has made two further purchases of Tootal shares, including the block announced yesterday.

Rothschild said: "There was a line of Tootal stock on offer cheaply. We made a bid and got part of the line at 75½p per share compared with the market price of 76½-77p."

Entrad still retains a 29.9 per cent stake in Tootal, a legacy of the 10-week bid battle.

## Cosalt in profit at halfway

THE RECOVERY at Cosalt which gathered pace during the second six months of 1983-84 continued into the current year with the Grimsby-based group swinging back into the black at the interim stage.

Turnover for the 26 weeks to February 26 rose from £16.88m to £16.88m and at the pre-tax level the group returned profits of £249,000, compared with previous losses of £135,000.

The interim dividend is being lifted by 0.5p to 0.75p net per 25p share.

Ships' chandlery activities continue to be the mainstay of the group and the results here were again good.

Cosalt Caravans returned to profitability following the measures taken to bring about improvements in the caravan division and Cosalt Holiday Homes is "well on the way" towards an improved performance.

The directors say that generally, there is good progress with unprofitable areas being eliminated and new acquisitions being made to sustain growth of the group.

Tax for the half year took £8,000 (£17,000) and after extraordinary credits this time of £52,000 (debits of £35,000) the attributable surplus came through at £282,000, compared with a previous deficit of £226,000.

Earnings per share emerged at 2.27p (losses 1.89p).

The group pushed its profits up to £581,000 in the eight months to end-August 1981 but saw them fall to £254,000 over the following 12 months and to £57,000 for the 1982-83 year.

Last year, however, with the recovery getting up steam, pre-tax profits reached £537,000.

**• comment**

Cosalt's turnaround is almost entirely due to the group's successful drive to stop losses in its longstanding trouble area, caravans. The new management has cut the model range from 30-odd to 16 and created brighter Habitat-style colouring. Cosalt says this division is now profitable, though there must be some doubts about a declining or static market which is being squeezed by package holiday tour competition. Elsewhere, Cosalt is being carried by its traditionally strong Ships' chandlery division, recently strengthened by the acquisition of Wheway Watson's mechanical handling business for £250,000. The division accounts for more than half the group sales so the purchase looks the right move to capitalise on this core business. Debt, at more than £3m, is well below the £7m-plus faced by Mr Brian when he took over last year. Last January the group paid £720,000 for the redeemable preference shares which had halted progress on further cutting borrowings. The shares eased 1p to 64p, suggesting there is still some scepticism about how much Mr Brian can achieve, and how quickly.

## Bilton in £11m deal with Lesser

By Michael Cassell, Property Correspondent

Percy Bilton, which last week announced a modest increase in pre-tax profits, has paid £11.35m to Lesser Group for a package of property investments in Hounslow, Middlesex. The building and property development group has also acquired, "for several million pounds," 16 acres of development land close to the M25 motorway at Leatherhead, Surrey.

Bilton has purchased 70,000 square feet of office space in two buildings on Staines Road, Hounslow. The larger property of the two has a rent review in six weeks' time. The package also includes an adjoining development site, carrying planning permission for 20,000 sq ft of offices, as well as an industrial estate offering redevelopment opportunities when existing leases run out in a little over five years' time.

Lesser says the transaction has substantially reduced gearing and will help finance the expansion of its property operations. The group has recently won planning consent for a 140,000 sq ft office complex in Hounslow and is to develop a 100-acre business park near Reading.

Bilton says the land it is acquiring from an unnamed vendor at Leatherhead has planning permission for multiple-use development and offers a rare opportunity to develop a "high-tech" business park close to London's orbital motorway. The group, which under new management has been working hard to improve the quality of its portfolio, emphasises that the latest acquisitions will further improve the balance of its property holdings.

Bilton has raised the freehold content of its total portfolio from under 40 per cent two years ago to just over 83 per cent at the end of 1984. The Hounslow and Leatherhead deals, together with the recent purchase of freeholds on four other leasehold industrial estate investments now brings the proportion of freehold interests to around 90 per cent.

Bilton's accounts will be published in May and the chairman's statement will indicate that, during the current year, redevelopment has started on several industrial estates while lettings of existing buildings have achieved rents above expectations.

### Yearlings at 12$\frac{1}{16}$%

The interest rate for this week's issue of local authority bonds is 12$\frac{1}{16}$ per cent, up seven sixteenths of a percentage point from last week, and compares with 9⅝ per cent a year ago. The bonds are issued at par and are redeemable on May 7 1986.

A full list of issues will be published in tomorrow's edition.

### Wm. Jacks

Pre-tax profits of William Jacks, overseas trader, motor car distributor and retailer, rose to £413,000 for the year ended January 31 1985, compared with £350,000 for the previous 13 months. Earnings per share were 3.59p against 3.06p and the dividend is stepped up from 0.7p to 1p net with a final payment of 0.5p.

Within the UK there was a significant advance in financial performance, directors say, and with the benefit of last year's rights issue, the balance sheet was much enhanced.

### Aaronson Bros.

Aaronson Bros' rights issue of 7.02m new ordinary shares has been taken up in respect of 95.58 per cent. The balance has been sold in the market and excess over subscription price of approximately 28.42p per share will be distributed pro rata among provisional allottees whose rights have not been taken up.

### Glass Glover

Glass Glover Group's rights issue of 3.23m shares at 233p has been accepted in respect of 2.97m shares (92.120).

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Allebone & Sons | 1.25 | June 4 | 1 | 1.5 | 1 |
| Cosalt ...int | 0.75 | Sept 5 | 0.25 | — | 0.75 |
| Farnell | 1 | July 1 | 0.9* | 1.8 | 1.5* |
| J. J. & D. Frost | 2 | July 3 | 1.3 | 3.5 | 2.3 |
| Hartons | 0.77 | July 2 | 0.56 | 1.16 | 0.84 |
| Wm Jacks | 0.5† | July 29 | 0.35‖ | 1 | 0.7‖ |
| N Atlantic Secs ...int | 1 | June 21 | 1 | — | 3.2 |
| PSM International | 3.15 | June 17 | — | 3.15 | — |
| Rapbeck | 0.25 | July 1 | 0.5¶ | 0.25 | 0.5¶ |
| Roberts Adlard | 4 | — | 4 | 6 | 6 |
| Ropner | 4 | — | 2.75 | 6.25 | 4.5 |
| Rush & Tompkins | 5.65 | — | 5.25 | 7.65 | 7.25 |
| Tarmac | 12† | July 4 | 10 | 16 | 13.6 |
| Windsor Secs ...int | 0.55 | June 21 | 0.5 | — | 1.25 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For 39 weeks. ‖ For 13 months.

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Imperial Cold Storage, Jessups, NVNEX.

Finals:—Fosseco Minsep, Emmingtons Overseas Income and Growth Fund, Gears Gross, London United Investments, Marshall's Universal, John Mowlem, Normalo International, Nurdin and Peacock, Ranco Oil Services, Shiloh, J. W. Spear, Spong, Yelverton Investments.

FUTURE DATES

| | |
|---|---|
| Interims:— | |
| BOC Group | May 13 |
| Bartos Transport | May 7 |
| M. & G. Group | May 30 |
| NSS Newsagents | May 15 |
| Scottish National Trust | May 28 |
| Finals:— | |
| Costain | May 5 |
| Datasery Inc. | May 13 |
| External Investment Trust | May 5 |
| Minet | May 2 |
| TDS Circuits | May 8 |
| Unigate | June 17 |
| Usher-Walker | May 7 |

**LADBROKE INDEX**
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9 pm. Closing 29/4/85

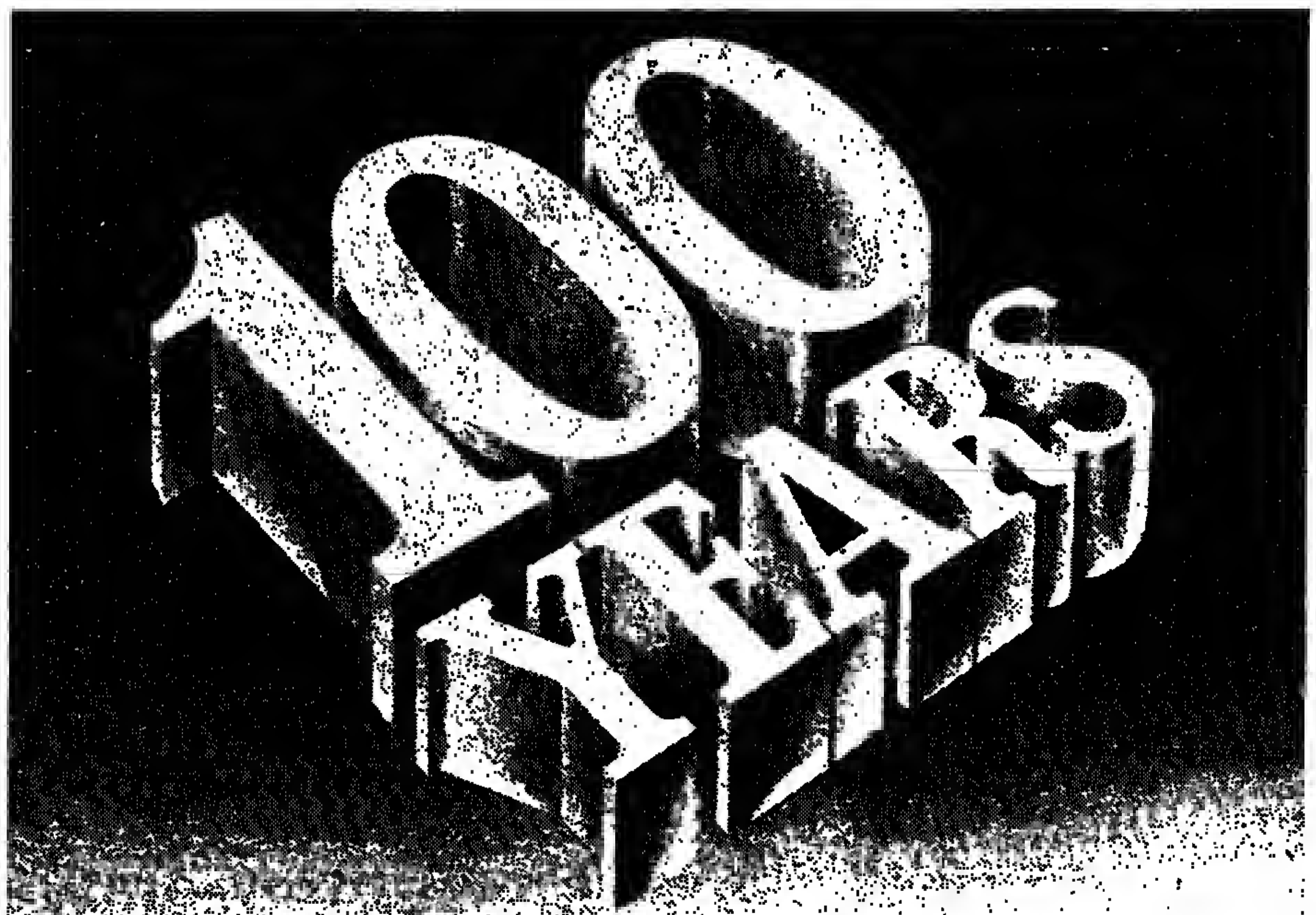
**EQUITABLE UNITS**

Daily prices as at 30 April 1985
EQUITABLE UNITS ADMINISTRATION LIMITED
35 Fountain Street, Manchester M2 2AF - Tel: 061-236 5685

| Authorised Unit Trust Prices | Bid | Offer | Yld% |
|---|---|---|---|
| Far Eastern | 50.2 | 53.5 | 0.98 |
| Gilt & Fxd Int | 48.5 | 51.7 | 8.63 |
| High Income | 55.7 | 59.3 | 5.13 |
| North American | 49.4 | 52.5 | 2.72 |
| Pelican—See UT Information Service | | | |
| Special Situations | 56.1 | 59.7 | 3.07 |
| Tst of Investmnt Tsts | 52.8 | 56.8 | 2.12 |

EQUITABLE LIFE ASSURANCE SOCIETY
4 Coleman Street, London EC2R 5AP
Tel: 01-606 6611

| Insurance Fund Prices | Bid | Offer |
|---|---|---|
| Far Eastern | 100.7 | 109.0 |
| Fd of Investmnt Tsts | 104.3 | 109.8 |
| Gilt & Fxd Int | 99.0 | 104.2 |
| High Income | 109.7 | 115.5 |
| Managed | 101.5 | 106.9 |
| Money | 97.3 | 102.7 |
| North American | 99.3 | 104.5 |
| Pelican | 105.3 | 111.2 |
| Property | 97.5 | 102.8 |
| Special Situations | 109.0 | 115.5 |
| Pension Fund Prices | | |
| Pens Far Eastern | 101.7 | 107.0 |
| Pens Fd of Invst Tsts | 106.4 | 112.0 |
| Pens Gilt & Fxd Int | 99.5 | 104.8 |
| Pens High Income | 113.3 | 118.3 |
| Pens Managed | 103.7 | 109.2 |
| Pens Money | 99.5 | 104.7 |
| Pens North American | 100.1 | 105.4 |
| Pens Pelican | 108.0 | 113.7 |
| Pens Property | 98.5 | 103.7 |
| Pens Special Situations | 113.5 | 118.8 |

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**WORDPLEX Information Systems PLC**

**Summary of results for the year-ended 31st December 1984**

- satisfactory performance in a difficult environment
- positive market reaction to new products
- future viewed with cautious optimism

| | 1984 £000s | 1983 £000s |
|---|---|---|
| Turnover | 42,783 | 31,965 |
| Profit before Taxation | 2,241 | 1,334 |
| Taxation | 163 | 147 |
| Profit after Taxation | 2,078 | 1,187 |
| Extraordinary loss | 394 | — |
| Profit attributable to shareholders | 1,684 | 1,187 |
| Earnings per share | 23.4p | 19.7p |
| Dividend per share | 1.8p | — |

To obtain a copy of the forthcoming Annual Report and Accounts, please write to the Company Secretary, Wordplex Information Systems PLC, Marlow Place, Station Road, Marlow, Bucks SL7 1NB, or telephone (06284) 74814.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

In connection with the recommended offers by

J. HENRY SCHRODER WAGG & CO. LIMITED

on behalf of

**WILLIAMS HOLDINGS PLC**
(Incorporated in England)
("The Company")

for the whole of the issued ordinary and preference share capital of

J. & H. B. JACKSON p.l.c.,

application has been made to the Council of The Stock Exchange for the following shares of the Company to be admitted to the Official List:—

Up to 9,881,125 5 per cent. cumulative convertible redeemable preference shares of £1 each.
Up to 1,206,384 10½ per cent. cumulative preference shares of £1 each

Listing particulars in respect of the Company are available in the statistical services of Extel Statistical Services Limited. Copies may be obtained during normal business hours until 3rd May 1985 from the Company Announcements Office, The Stock Exchange, Throgmorton Street, London, EC2P 2BT, and until 15th May 1985 from:—

Williams Holdings PLC, Dresden House, Whitecross Street, Monmouth, Gwent NP5 3BY
J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 6DS
Pannell Kerr Forster, 7 St. Andrew's Crescent, Cardiff CF1 3PD

1st May 1985

# LET's £14m call to fund growth and repay loans

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

London & Edinburgh Trust, the fast-growing property development and investment group, yesterday announced a £13.9m rights issue which will be used to repay short-term borrowings and to help finance the next stage in its extensive development programme.

LET, which earlier this month revealed a 53 per cent increase in 1984 pre-tax profits to £5.1m, is raising the money via an issue of 14.4m 6.5 per cent convertible preference shares. The company is offering four £1 shares for every five ordinary shares held. John and Pater Beckwith, who together own 49.6 per cent of the existing ordinary shares, are not taking up their rights.

The group says that the issue, underwritten by British Linen Bank and Barclays Merchant Bank, will provide e strong capital hase for continuing growth and will enahle it to take full advantage of future development and investment opportunities.

LET intends to take on an increasing number of projects to add to an already extensiva development programme and wants to retain a larger equity interest in many of the projects it carries out. Since its flotation in 1983, its growth has been funded by bank borrowings, retained profits and the sale of developments.

Mr John Beckwith, chairman of LET, said the group was involved in a number of schemes which are expected to use up e substantial proportion of its surplus eash resources. At the same time, a number of new and significant development projects in the UK and overseas are being examined and, if taken up, they will demand substantial casb commitments in the coming months.

Mr Beckwith said that the main emphasis of LET's proposed development programme would be directed at opportunities in the City of London and in the creation of high-technology facilities and business parks in the south east of the UK. Both areas would require signicant financial resources, desplte the fact that LET intended to continue with the typa of developments partnerships whicb had formed the basis of its recent growth.

In addition, LET wants to extend its activities in the U.S. and in Europe—particularly in France and Holland. The group, together with Balfour Beatty, recently acquired three edjoining office buildings in Paris and has started e £45m refurbishment project. In the U.S., LET has established a subsidiary in San Francisco and leter this year will hegin an office development in the city's financial district.

LET is also anxious to expand its involvement in the financial services sector. Long-running negotiations to acquire an insurance hroking firm in the south-east are expected to be concluded shortly. The group is also ebont to lannch a number of specialist property investment vehicles, initially angied et investors wanting e foothold in the U.S. market.

# Roberts Adlard hit by winter weather

A STATIC year was experienced by Roberts Adlard, huilders' merchant and cladding contractor, and the first few months of 1985 beve been affected by poor weather conditions.

In addition to the virtually unchanged taxable result of £1.17m, against £1.19m, for 1984, Roberts had to take account of an out-of-court settlement with the Milton Keynes Development Corpn, which took the group £265,000 into the red at the attributable level.

Despite this, bowever, tha total dlvidend is being beld at 6p with the directors recommending an unchanged final payment of 4p. Earnings bafore the £925,000 settlement costs were slightly lower at 13.75p (14.12p) per 25p share.

While the current months are showing an improvement, tbe directors say that it is too sarly to make an informed forecast hut they are determined "to make up for lost ground."

Turnover in 1984 amounted to £18.8m, compared with £17.7m, generating trading profits of £1.23m (£1.2m)—tha taxable result was struck after a releted company loss of £67,000 (£9,000). The tax charga was £506,000 (£515,000).

At the interim stage, the company reported e lower pre-tax profit of £475,000 (£513,000), on turnover of £9.15m (£8.55m), with the related company showing a £19,000 loss.

# Werff and Lord John hit Raybeck

BAD parformances from tha Werff and Lord John companies are hlamed for the pre-tax losses suffered by Raybeck for the 52 weeks ended January 26 1985.

Despite much higher profits from property transactions of £1.13m, compared with £157,000 last time, losses for the period amounted to £1.17m. This is against profits of £1.21m for the previous 39 weeks. Turnover was £92.03m (£59.88m).

"The results for the year as a whole are most disappointing and reflect the problems which were reported wben the results for the first half of the year were published," states Mr Ben Raven, chairman.

At the interim stage losses amounting to £2.61m were incurred which were "a source of concern to the board," said the chairman.

He added that in light of the poor results for the six months tbe board was taking a cautious view of the expected outcome for the year. He said it was too eerly to predict how quickly action taken would return tbe companies concerned to profitability. While the hoard was confident there would he no recurrence of losses incurred in the retail business, results for the full term remained uncertain.

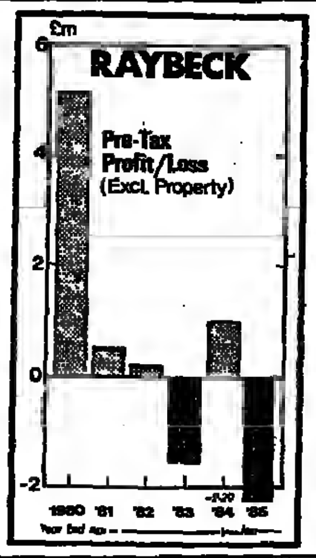
Ladies' retail, Lord John and the Carnegie divisons all experienced difficulties which were exacerbated by weaknesses in management control systems, said tbe chairman. At Carnegie a programme of rationalisation and retrenchment was implemented which resulted in redundancies, be added.

Commenting on the full year's figures Mr Raven says thet Berketex traded successfully, results from the manufacturing division were satifactory, while Alfred Young, acquired in January 1984, "had a very good year." However, he informs shareholders that the Werff and Lord John companies performed badly and that the group's losses were largely due to poor merchandising and stock control in these companies.

He adds that a number of senlor management changes have taken place and that every effort to remedy the situation was being made.

"I can only empbasise again that whatever changes are necessary to restore the group to a proper level of profitability ara being and will continue to be made."

The dividend for the period has been halved from 0.5p net to a single final payment of 0.25p. Loss per share is given as 3.76p (2.37p earnings).





Mr Ben Raven, chairman of Raybeck

**● comment**

When the chairman of a retailing company resorts to quoting net asset value, it's a sign that husiness is not going well. Indeed, Raybeck's retail operations could scarcely be doing worse, with losses expected again this year. The spring season has already heen wiped out hy buying mistakes, and the group has failad to get to grips with its stock control. There are no signs that management problems have been resolved—ominously this month Mr Ian Horwood, the finance director resigned after only four months. The hest that can he hoped for—and wbat doubtless expleins the 3p rise in the share price to 28p—is that the recent revaluation of signals an intention to move out of retailing and sell off the hulk of the firm's High Street sites, retaining perhaps the profitable Berkertex subsidiary and the manufacturing interests. So far this year Raybeck had sold its Regent Street lease as well as the leases on one or two smaller sites at prices in excess of the latest valuation. The property portfolio is now valued at about 24p a share, so the market seems already to be discounting some improvement in the core husinesses.

# CES chief got nearly £70,000 more in '84

MR MURRAY GORDON, chairman of retail chain concern Combined English Stores, receleved a pay rise of just over £69,000 in the 1984-85 year, according to the annual report, published yesterday.

The increase, a rise of some 44 per cent, gave Mr Gordon a total remuneration of £225,223, which puts hlm in the upper levels of the UK executives' pay league.

The remuneration included profit-related commission in a year when CES produced record taxable profits of £9.16m, a rise of 54 per cent.

The report also disclosed that two other directors moved into the £100,000-plus pay bracket for tha first time, collecting between £115,000 and £120,000.

## Maclellan ahead

Pre-tax profits of P. & W. Maclellan, manufacturer of industrial fasteners, rose from £412,000 to £631,000 for 1984. A final dividend of 1.1p makes a net total of 1.7p, against 1.6p.

Turnover improved to £9.08m (£7.69m). Tax took £101,000 (added £16,000) and after minorities of £7,000 (nil) and extraordinary debits last time of £182,000 the avallable balance emerged at £423,000 (£246,000). Earnings per 20p share amounted to 4.9p (5p).

All divisions are currently trading well in advance of 1984, both in turnover and profit.

# Property disposals help Allebone rise to £0.7m

Allebone & Sons, Northamptonshire-based footwear manufacturer and retailer, achieved an 80 per cent increase in its taxable profits for the year to end-January 1985. This improvement, from £404,000 to £730,000 was boosted by e £304,000 contribution from the disposal of properties, against a previous £97,000.

At the half way stage, excluding property sale profits, the group suffered losses of some £50,000 (£97,000) being particularly bard hit by the miners' strike in addition to tight margins.

The directors say that the current year has started satisfactorily with the trading climate being improved by the anding of the miners' strike, and they remain optimistic about both the short and long-term prospects for the group.

The total dividend for the year is lifted hy 50 per cent, to 1.5p (1p), with a final of 1.25p (1p). Stated net earnings per 10p share are shown higher et 7.3p (5.1p).

Sales for the year moved ahead from £14.36m to £16.25m, generating a gross profit of £2.42m (£2.1m). Trading profit emerged at £624,000 (£421,000) after operating costs, less income took £1.79m (£1.68m).

The directors say that the group incurred capital expenditure of £892,000, hringing the total for the last three years to more than £2.5m. They consider it is now appropriate to raise additional capital to assist in financing the growth envisaged in the years ahead.

Accordingly they are proposing to raise £1.38m (after expenses) by an underwriten rights issue of 1.45m 8.75 per cent convertible cumulative redeemable preference shares of £1 at par on the basis of one for every five ordinary.

# Plastics division lifts Hartons to record profit

WITH AN "excellent contribution" from the Visijar Tuckers' plastic distribution division, Hartons Group taxable profits rose 20 per cent to a record £1.63m in 1984, against £1.35m.

The final dividend, the first for the group as a fully-listed concern, is raised from 0.56p to 0.77p per share for a total of 1.16p, against 0.84p, an increase of 37.5 per cent. After a much higher tax charge of £624,000 (£175,000), earnings per share are stated to be 3.39p (4.43p).

Group turnover moved ahead from £21.92m to £25.71m—Hartons also has interests in consumer products. The directors say that the current first half will reflect the costs associated with the reorganisation of the consumer products division following the ecquisition of Elson & Robbins last year and its integration into a new gas and alectric appliance subsidiary. They are confident, however, of another year of progress.

The Visijar Tuckers side achieved volume growth in sales and a surge in net profit. Tha directors are considering various options with e view to extending UK ectivities, and further additions to the French distribution network are under consideration. The longer term prospects here are good, say the directors, but current investment is high in relation to the nominal contributions to group results.

In contrast, Summer Products, tha consumer products offshoot, bad e disappointing year due to the mild winter at the start and end of 1984, and to unforeseen problems arising out of the acquisition of the electrical shower business. The directors consider, however, that the current year holds "a lot of promise for a year of change." The current half will be disrupted by the divisional reorganisation, but they expect the second balf to show tha benefits of this and the introduction of new appliances.

The 1984 figures only include the costs of the Elson & Robbins acquisition, and none of the trading contribution. In the 15 months to end 1984 it made £913,000 on sales of £20m.

## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 12½% | Hongkong & Shanghai | 12½% |
| Allied Irish Bank | 12½% | Johnson Metthey Bkrs. | 13 % |
| ■ Henry Ansbacher | 12½% | Knowsley & Co. Ltd. | 13½% |
| Amro Bank | 12½% | Lloyds Bank | 12½% |
| Associates Cap. Corp. | 14 % | Edward Manson & Co. | 14 % |
| Banco de Bilbao | 12½% | Meghraj & Sons Ltd. | 12½% |
| Bank Hapoalim | 12½% | Midland Bank | 12½% |
| BCCI | 12½% | ■ Morgan Grenfell | 12½% |
| Bank of Ireland | 12½% | Mount-Credit Corp. Ltd. | 12½% |
| Bank of Cyprus | 12½% | Nationel Bk. of Kuwait | 12½% |
| Bank of India | 12½% | National Girobank | 12½% |
| Bank of Scotland | 12½% | National Westminster | 12½% |
| Banque Belge Ltd. | 12½% | Northern Bank Ltd. | 12½% |
| Barclays Bank | 12½% | Norwich Gen. Trust | 12½% |
| Beneficial Trust Ltd. | 13½% | People's Trust | 14 % |
| Brit. Bank of Mid. East | 12½% | Provincial Trust Ltd. | 13½% |
| ■ Brown Shipley | 13 % | R. Raphael & Sons | 12½% |
| CL Bank Nederland | 12½% | P. S. Refson | 13 % |
| Canada Permanent | 12½% | Roxburghe Guarantee | 13½% |
| Cayzer Ltd. | 12½% | Royal Bank of Scotland | 12½% |
| Cedar Holdings | 14 % | Royal Trust Co. Canada | 12½% |
| ■ Charterhouse Japhet | 12½% | ■ J. Henry Schroder Wagg | 12½% |
| Choulartons** | | Standard Chartered | ‖12½% |
| Citibank NA | 12½% | TCB | 12½% |
| Citibank Savings | ¶12½% | Trustee Savings Bank | 12½% |
| Clydesdale Bank | 12½% | United Bank of Kuwait | 12½% |
| C. E. Coates & Co. Ltd. | 13½% | United Mizrahi Bank | 12½% |
| Comm. Bk. N. East | 13 % | Westpac Banking Corp. | 13 % |
| Consolidated Credits | 12½% | Whiteaway Laidlaw | 13½% |
| Co-operative Bank | *12½% | Williams & Glyn's | 12½% |
| The Cyprus Popular Bk. | 12½% | Wintrust Secs. Ltd. | 12½% |
| Dunbar & Co. Ltd. | 12½% | Yorkshire Bank | 12½% |
| Duncan Lawrie | 12½% | | |
| E. T. Trust | 13 % | | |
| Exeter Trust Ltd. | 13½% | | |
| First Nat. Fin. Corp. | 13½% | | |
| First Nat. Secs. Ltd. | 13½% | | |
| ■ Robert Fleming & Co. | 12½% | | |
| Robert Fraser & Ptns. | 13½% | | |
| Grindlays Bank | ‡12½% | | |
| ■ Guinness Mahon | 12½% | | |
| ■ Hambros Bank | 12½% | | |
| Heritable & Gen. Trust | 12½% | | |
| ■ Hill Samuel | §12½% | | |
| C. Hoare & Co. | 12½% | | |

■ Members of the Accepting Houses Committee.
* 7 day deposits 9½%, 1 month 10¼%. Top Tier—£2,500+ at 3 months notice 12½%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 9½% gross.
‖ 21-day deposits over £1,000 10¼%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 9¼%.

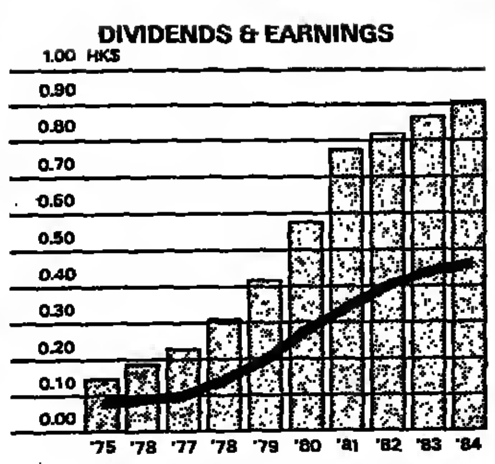


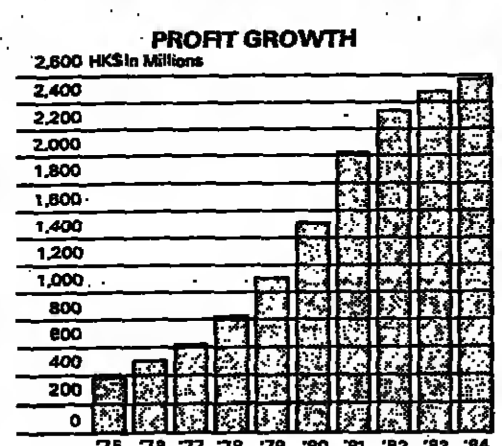
HongkongBank group 1984

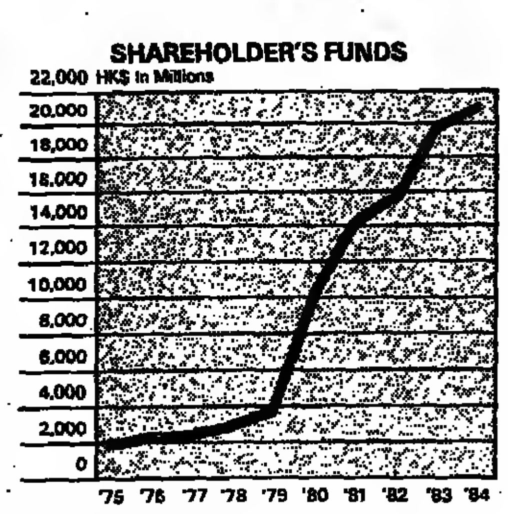
# Profits rise by four per cent to another record

*"The signing of the Sino-British agreement on Hong Kong's future presents us with a significant challenge and a unique opportunity."*

M G R Sandberg, CBE, Chairman




*Copies of the Annual Report may be obtained from branches of the Bank in the world's principal financial centres.*

**Results for 1984**
In a broadly successful year group profits worldwide increased by 4 per cent to HK$2,591 million. The factors which reduced the rate of growth below that of recent years should not be long-lived and the prospects for 1985 are encouraging.

**Strength of the Hong Kong dollar**
During 1984 the Hong Kong dollar maintained its parity with the US dollar despite the latter's massive rise in value. One side effect of this was to reduce the apparent benefit of earnings remitted in other currencies.

**Outlook for Hong Kong**
The Sino-British agreement signed in December has resolved Hong Kong's future, assuring continuity in its present economic lifestyle for a further 50 years beyond 1997. The territory has much to contribute to China as it pursues the Four Modernisations programme, through trade, investment, expertise and the modern infrastructure Hong Kong provides for international business.

**Trade with China**
During 1984 the Bank enlarged its range of services within China. It now has five offices in the country, with a sixth to open shortly, and the scale of the Area Office China at headquarters is being increased.

**Australia**
The initiative taken by the Bank during 1984 to obtain a banking licence in Australia bore fruit early in the present year when it was one of 16 leading international banks to be given the go-ahead by the Australian Government.

**International Capital Markets**
During 1984 the Bank acquired the largest permissible share of leading UK stockbroker James Capel. Together with acquisition by Marine Midland of New York brokerage company CM & M, the Bank's own merchant banking arm Wardley, and a link with Australian stockbroker Rene Rivkin, foundations are in place for a worldwide presence in the rapidly developing capital markets sector.

**Banking Technology**
The Bank designed a clearing system for Hong Kong – CHATS – launched on 8 February 1984, one day ahead of the broadly comparable CHAPS system in London and won a contract to adapt the same technology for Singapore. The Bank's networks of automated teller machines expanded in several countries. In Hong Kong a company was formed to develop a standardised system of electronic funds transfer at point of sale: a pilot trial is planned in the spring of 1985.

**Main Results**

| | 1984 HK$ m | 1983 HK$ m | 1984 £m |
|---|---|---|---|
| Total Group profit | 3,375 | 3,232 | 371 |
| Attributable Group profit | 2,591 | 2,492 | 285 |
| Total dividend distribution | 1,316 | 1,258 | 145 |
| Shareholders' funds | 20,863 | 19,586 | 2,296 |
| Total deposits | 422,403 | 411,280 | 46,479 |
| Total assets | 481,607 | 470,315 | 52,994 |
| Earnings per share | HK$0.91 | HK$0.87 | 10.0p |
| Dividends per share | HK$0.46 | HK$0.44 | 0.5p |
| Total number of shares in issue | 2,859,867,220 | 2,287,893,776 | |

**Financial Highlights**

- ☐ A one-for-ten bonus issue is being recommended.
- ☐ Profitability in 1985 is expected to allow the maintenance of at least the same dividend, of HK$0.46 per share, on the increased capital as proposed – an increase in distribution of not less than 10 per cent.
- ☐ Profits of Hang Seng Bank rose to HK$831.6 million.
- ☐ Profits of Marine Midland rose to US$106.5 million.
- ☐ Profits of The British Bank of the Middle East rose to £28.9 million.
- ☐ Profits of Grenville Transportation Holdings rose to HK$387.7 million.

HongkongBank

The Hongkong and Shanghai Banking Corporation

Marine Midland Bank · Hongkong Bank of Canada · The British Bank of the Middle East
Hang Seng Bank Limited · Wardley Limited · Wardley London Limited

Fast decisions. Worldwide.

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# UK COMPANY NEWS

## Co-op ponders next Ingall move

The Greater Midlands Co-operative Society, caught off balance by the House of Fraser's surprise £9.6m agreed bid for Ingall Industries, was yesterday considering whether to pursue its takeover bid for the Wolverhampton-based funeral director.

"It's a fairly full price," said Mr Ronnie McMaster at the Manchester Exchange Trust, merchant bank advisers to the Co-op. "It would be difficult for the executives to justify that price to the Co-op board."

Ingall shares jumped 20p to 108p on news of the bid terms released after the market closed on Monday. House of Fraser is offering 105p in cash for every Ingall share, compared to the Co-op's bid of 80p.

Mr McMaster has written to Ingall requesting information on current year profit forecasts, level of borrowings and asset valuation before it decides on its next move.

● Al-Fayed Investment Trust has now received acceptances in its £615m takeover of House of Fraser covering about 89 per cent of ordinary shares.

However, investors are still proving slow in accepting the offer for their preference shares.

Kleinwort Benson, the Trust's advisor, said yesterday that acceptances had now been received for 71.6 per cent of 3.15 per cent preference shares, for 66.9 per cent of the 5.25 per cent preference shares and for 36.2 per cent of the 3.85 per cent preference shares.

The Al-Fayed's preference offer, open since March 23, has been further extended to May 13. The offer for ordinary shares remains open ended.

The Trust has yet to decide whether to acquire compulsorily the remaining ordinary shares in Fraser when acceptances reach a level allowing it to do so. The level that triggers this is normally 90 per cent of issued ordinary shares, though in the case of House of Fraser the freezing of some 2m shares by a legal dispute means the level is nearer 95 per cent.


FT 500

FINANCIAL TIMES
EUROPEAN TOP 500 COMPANIES
SURVEY

For the third year running, Europe's biggest publicly quoted companies are ranked in the FT 500. This year will be the first occasion that addresses, telephone and telex numbers will be listed at the back of the reprinted version, price £10. Cheques should be made payable to the Financial Times and sent to:

Nicola Banham, Publicity Department,
Financial Times,
Bracken House,
10 Cannon Street,
London EC4P 4BY


John Moore examines the talks between C. E. Heath and Hogg Robinson

## A mixture of defence and consolidation

"MUSCLE HELPS." That is the crisp summing up of Mr Derek Newton, chairman of C. E. Heath, the insurance broker, for the reasons behind his group's current merger talks with rival Hogg Robinson Group.

He has headed Heath for about 15 months and in that time has concluded that big insurance brokers are getting bigger, medium sized insurance brokers are an endangered species, and small brokers are becoming more and more specialist. So for the last four or five months, Heath, which ranks fifth in terms of revenue size among UK brokers, has been in talks with Hogg Robinson, which ranks sixth.

Mr Derek Newton

For about the last seven years a commercial game of leapfrog has been taking place in the international insurance broking community. A series of realignments among large groups started in the late 1970s, which were largely triggered by the ambitions of U.S. brokers.

American brokers started looking beyond their own market in aggressive fashion towards the end of the 1970s. Their international drive was stimulated by a number of factors.

Falling U.S. stock market values in the early 1970s eroded reserves. U.S. insurance companies, which looked to protect themselves by reinsurance—laying off risks with concerns such as Lloyd's.

In seeking to use the Lloyd's market to place business, U.S. brokers had to channel business through approved Lloyd's brokers. The Lloyd's brokers earned large amounts of commission, not only placing business in the Lloyd's market but also arranging reinsurance protection for Lloyd's underwriters on the U.S. business which had been produced in the first instance by U.S. brokers.

The U.S. brokers saw how much more commission was being earned by UK brokers on business generated by them and decided to move in on the action. Moreover, they needed access to extensive international networks of Lloyd's brokers to demonstrate to multinational clients that they could service large accounts and also had the placing clout in world insurance markets.

For these reasons a series of mergers and acquisitions took place designed to provide existing brokers with a "full service" image which would impress clients, and secure business. At the same time, UK brokers wanted closer involvement in the U.S. market through link-ups in order to have a presence to protect American accounts in increasingly competitive markets.

Against this background, the the latest talks between Heath and Hogg Robinson are taking place in what could be the most significant domestic merger in the UK since Sedgwick Forbes and Bland Payne came together in 1979.

"It is not the sort of merger where you throw your hat in the air and say this is a magic merger," said Mr Phillip Olsen, an insurance analyst with stockbrokers Kitcat & Aitken. "Rather, it resolves a number of development problems for both groups."

Heath and Hogg Robinson are in the middle of the league in the UK in terms of revenue. Ahead of them are Sedgwick, Britain's largest independent broker, which is to merge with Fred S. James of the U.S.; Willis Faber; Jardine Insurance Brokers; and Stewart Wrightson.

Both groups have not formed a really satisfactory enduring link with a major U.S. broking group. Heath has a correspondent relationship with Rollins Burdick Hunter, the world's 10th largest insurance broker, while Hogg Robinson has a relationship with Republic Steel in the U.S. and has acquired Penn General Agencies, which gave it some retail broking outlets in the U.S.

For the year ending March 1984 Heath reported pre-tax profits of £19.1m and Hogg Robinson £11.1m. At the close of trading on Monday evening, when both sides made their announcement, Heath was valued at £176m on the Stock Exchange while Hogg Robinson was worth £103.7m.

Their link-up has been interpreted as a mixture of defence and consolidation with a view to maintaining a position against the growing might of the major brokers.

Heath is strong on the international scene, with a significant amount of revenue generated by wholesale or reinsurance business. Hogg has a strong UK presence and is noted for retail or direct broking operations. Heath wants more UK earnings to offset effects of volatile currency movements on its business, while Hogg wants an international presence.

Heath, according to Mr Newton, also wants to concentrate on building up sophisticated back-up systems and computerisation, which will require capital but will allow the combined group to compete efficiently with major broking groups.

A significant part of Heath's business is generated by pure underwriting activities. Under half of operating profit last year was accounted for by broking. It is vulnerable on the underwriting side at present and has to divest itself, as does Hogg Robinson, of interests in its Lloyd's managing agency companies by the middle of 1987.

That is required by law. Moreover, there are plans to nationalise workers compensation insurance business in the State of Victoria in Australia, which again accounts for a significant part of Heath's underwriting operations.

Lloyd's underwriting agency activities contributed £3m to Hogg Robinson's profit, which will be lost in the divestment moves.

Hogg Robinson also has extensive interests in the travel business. Its agencies are the second largest in the UK and contributed, together with shipping, £3.58m to overall profits in 1983-84.

Mr Newton and Mr Wheway, chairman of Hogg Robinson, intend to keep the travel operations within the group although Mr Newton hopes that there will be more "synergy" with the rest of the combined company.

For both sides, the merger talks represent a long period of various attempts to consolidate their efforts in the UK. Heath talked to Hogg Robinson around 16 years ago; Hogg has also talked to Willis Faber, while Heath has previously held various discussions with Minet Holdings.

The one thing that the merger will not give both sides is a strong U.S. link which would square the circle. "That is something we will have to think about," said Mr Wheway.

### MAIN MERGERS AND TAKEOVERS

1978
Frank B. Hall (U.S.) acquires Leslie & Godwin (UK)
1979
Sedgwick Forbes (UK) merges with Bland Payne (UK)
1980
Marsh & McLennan (U.S.) acquires C.T. Bowring (UK)
Fred S. James (U.S.) acquires control of Wigham Poland (UK)
1981
Alexander & Alexander (U.S.) acquires Alexander Howden (UK)
Jardine Insurance Brokers (UK) acquires Bache Insurance (UK)
Hogg Robinson (UK) acquires Penn General Agencies (U.S.)
1982
Transamerica Corporation (U.S.)* acquires Fred S. James (U.S.)
Combined International Corporation (U.S.)** acquires Rollins Burdick Hunter (U.S.)
Reed Stenhouse (Can) acquires Schiff Terhune (U.S.)
1983/84
Reed Stenhouse (Can) acquires Stenhouse Holdings (UK)
Alexander & Alexander (U.S.) to merge with Reed Stenhouse (Can)
1985
Sedgwick Group (UK) to merge with Fred S. James (U.S.)

* Financial conglomerate. ** An insurer.

## Talks in progress at Planet

BY TERRY POVEY

Planet Group, the caravan door and window manufacturer, is in talks that could lead to a bid for the whole of its outstanding shares.

When Planet's shares were suspended yesterday morning at the company's own request, they were worth 98p—valuing Planet at around £10m.

A formal announcement clarifying the position is expected at the start of trading today.

In 1984, Planet made a net loss of £410,000, compared with profits of £393,000 in the previous year. What dragged the company into the red were the continuing losses at its Luxembourg offshoot, Planet SA. In 1984 this subsidiary consumed £919,000 pre-tax, including some £280,000 within the exceptional items, plus a further £469,000 in extraordinary losses most of which arose from the writing-down of the book value of the offshoot to its expected sale price level.

The sale of Planet SA was completed yesterday—just ahead of the announcement that the parent was in talks.

For the troubled Luxembourg plant, Planet Group will be paid £787,000 in cash with a further £525,000 to come later this month for stocks and work in hand subject to valuation.

Given the depressed state of the European caravan market, Planet has been diversifying its activities. Creation Windows in the U.S. contributed $33.2m in 1984, up 20 per cent, and the use of the group's plastic window technology as architectural features has shown a promising start in the UK.

## Sphere Drake £12m in red

A PRE-TAX loss of £12m was suffered in 1984 by Sphere Drake Insurance, part of Alexander Howden, the insurance broking group owned by Alexander and Alexander Services of the U.S. This compares with a small pre-tax profit of £969,000 achieved in 1983 and the pre-tax loss of £23.5m recorded in 1982.

Although the 1982 loss arose as the result of allegedly irregular reinsurance deals as well as general underwriting trends, the losses last year came from the general conditions in the insurance and reinsurance fields which worldwide were the worse seen for decades.

The company was hit by a high number of new asbestosis losses on its reinsurance accounts which were advised during the latter part of the year. There were unexpected deteriorations in the Excess or Loss Non-Marine Accounts and a high number of claims in the now terminated UK Property and Overseas Property Facultative accounts. Finally there was a further strengthening of loss reserves from £99.5m to £122.7m.

As a result underwriting losses on all these accounts rose from £11.09m in 1983 to £19.92m last year on premium income which in sterling terms rose from £42.96m to £56.7m, but showed only marginal underlying growth.

The company's UK motor account was hit by the severe competitive conditions in this sector and a spate of claims in the final months—a phenomenon experienced throughout the industry. Premium income rose from £5.48m to £7.51m and losses from £803,000 to £1.42m.

The company is optimistic about prospects for 1985. Rate increases averaging 50 per cent have been made and ace holding, with excess of loss rates being extremely hard. The company is looking for a small pre-tax profit this year. Nevertheless, A & A had to make a £10m capital injection coming on top of its £34m injection two years ago.

Discussions on the sale of Sphere Drake by A & A are continuing but no further details are available.

## Maxwell share alternative

BY CHARLES BATCHELOR

Hollis Bros & ESA, Mr Robert Maxwell's office and schools supply group, is to make a one-for-two share offer for Solicitors' Law Stationery Society to back up last week's cash offer from Pergamon Press, another of Mr Maxwell's companies.

Pergamon last week bought the 50.2 per cent stake in Solicitors' owned by Thomson Organisation to take the Pergamon stake to 74.4 per cent.

At the same time it announced that the ultimate aim was for Solicitors' to become part of Hollis though Hollis lacked the available authorised capital to make an immediate bid of its own.

Hollis accompanied yesterday's bid details with an announcement that it will ask shareholders to increase its authorised share capital. Pergamon owns 73 per cent of Hollis, which is a publicly-listed company after selling a 7 per cent stake last week to fund its own cash offer.

Hollis currently owns no Solicitors' shares, but it is offering one of its own shares for every two Solicitors' shares in a deal which values each Solicitors' share at just over 35p and the entire company at £4m.

Solicitors' and Hollis were unchanged at 35p and 71p respectively yesterday.

Full acceptance of the bid would lead to the issue of 5.76m new Hollis shares, 8 per cent of the enlarged equity. Pergamon will maintain its cash offer to provide Solicitors' shareholders with an alternative to the Hollis all-share bid.

Pergamon and Hollis said they considered that Solicitors' business was complementary to Hollis's and believed the merged company would emerge as a strong force in the field of office supplies.

### COMPANY NEWS IN BRIEF

Charles Fulton, independent money broker, has integrated its European operations via an agreed merger of Charles Fulton (Luxembourg) with Charles Fulton (UK).

The merger will be implemented by a share-exchange scheme with the UK side acquiring the Luxembourg operation from managing director Mr David Cardiner, and other executives of the Luxembourg company.

* * *

Dublin - based MacDonagh Boland Crotty MacRedmond has acquired a two-thirds shareholding in London insurance broker Macey Williams, a specialist in the placing of corporate risks for U.K. companies.

The Irish concern will use the acquisition as a springboard for development in the UK insurance market.

* * *

For the half year ended March 31 1985 earnings of Lowland Investment Company have increased from 2.66p to 3.68p per share, and the interim dividend is lifted to 3p, against 2.3p. The directors expect the final payment to be at least maintained; they are proposing a two-for-one scrip issue.

At March 31 the net asset value was shown at 290.8p, compared with 228.1p a year ago.

In the half income totalled £457,000 (£317,000). Profit was £421,000 (£304,000) subject to tax £133,000 (£96,000).

* * *

Windsor Securities (Holdings) raised its pre-tax profits from £84,000 to £108,000 in the six months ended March 31 1985 and says it has "strong" financial resources and is actively seeking suitable acquisitions.

Turnover totalled £347,000 (£330,000)—the group, formerly Brentnall Beard (Holdings), is an insurance broker. Earnings amounted to 0.8p (1.1p) after tax of £46,000 (nil) and the net interim dividend is increased to 0.55p (0.5p) per 10p share.

* * *

The following securities have been added to the Share Information Service:

Mann and Co (Section: Property).

Optometrics (USA) (Industrials).

## Energy Services' defence document attacked by Peek

Peek Holdings, which is making a £26m takeover bid for Energy Services and Electronics, yesterday launched a fresh verbal broadside against its target, saying ESE's "dismal earnings record" illustrated a lack of strategic direction.

Peek, a shell company with Liverpool grain storage interests, is attempting a reverse takeover of ESE, after which Mr Julian Askin and Mr Hugo Biermann would inject £6m and assume management of the combined group. Its offer closes on Thursday.

Peek, attacking the ESE defence document, said the company's chairman, Mr Frederick Rollason, had been "disastrously optimistic" in past forecasts for the Neve Audio subsidiary.

ESE disclosed after the Peek bid was launched that it intended to dispose of Neve "for a full value." But Peek said that this was "either an admission of management failure or a hasty reaction to Peek's offer. It also claimed ESE was undercapitalised with 1983 gearing of 136 per cent.

However, Mr Rollason hit back last night, saying that the company had now received approaches from potential buyers of Neve, which would be sold for "full value." This would mean a substantial reduction in borrowings, which were due to fall anyway in 1985. A reasonably high level of gearing was of benefit for a rental business.

Peak's plans for the rental side, he added, showed that they did not understand this business and Peek's document failed to answer his questions about the management credentials of Mr Askin and Mr Biermann.

ESE shares closed last night at 97p, which compares with a share offer worth 87.5p, and a 70p cash alternative.

### MINING NEWS

## MIM hit hard by currency hedging

BY KENNETH MARSTON, MINING EDITOR

MIM Holdings, the Australian base metal and coal producer, moved deeper into loss during the first 40 weeks of its year to June 30.

A net operating loss of A$42.1m (£26.7m) was incurred, compared with a profit of A$10.2m in the same of 1983-84 when the subsequent earnings for the full 12 months came out at A$27.22m.

MIM is yet another mining company to have misread the foreign exchange market. Losses of more than A$10m were incurred in currency hedging which, says the company, were taken to protect it from a big drop in the U.S. dollar, a normal risk reduction measure against "the potentially disastrous effects of adverse currency movements."

The company also suffered from the strike of state electricity workers in Queensland which was responsible for more than A$20m of the latest loss. It adversely affected coal and copper production and interrupted ship loading for more than two weeks.

MIM's sales in the latest period rose 19.7 per cent to A$812.4m, helped by rising output at the two new coal operations, but revenue was hit by low prices for copper, lead and silver for most of the time: the weakness of the Australian dollar developed too late in the period to benefit income to any real extent.

Despite the poor result, the company says that its position is improving as cost-cutting moves become more effective and higher production levels are achieved. In addition, prices of some metals are strengthening.

The group is 44 per cent owned by the U.S. Asarco which is currently fighting off a bid approach by Mr Robert Holmes à Court, the Australian entrepreneur. In London yesterday, shares of MIM closed unchanged at 177p.

## Higher output and lower costs aid Phelps Dodge

HAVING MADE six consecutive quarterly losses, the big U.S. copper-producing Phelps Dodge has returned to a profit of $1.6m (£1.28m) in the first quarter of this year.

In the previous three months there was a loss of $22.6m before year-end writedowns of $195m, while the first quarter of last year saw a loss of $30m before crediting an extraordinary gain of $25m.

Phelps attributed the turnround to cost - reduction programmes and high production levels at the Morenzi and Tyrone mines, despite a fall of nearly 5 cents per pound in the average spot price for copper on the New York Commodity Exchange.

Earnings of the company's primary metals division—mostly copper—amounted to $10.2m in the latest quarter compared with a loss of $26.9m in the same period of last year.

Copper production rose to 98,900 tonnes from 76,900 tonnes a year ago, although much of the increase reflected the mining, now largely completed, of a high grade zone at the Morenzi property.

* * *

While high gold prices in terms of non-U.S. currencies were being enjoyed by gold mines in other parts of the world during the first quarter, the major U.S. producer, Homestake Mining, suffered from the effects of the strong dollar. Net income for the period has fallen to $3.3m (£2.5m), or 7 cents per share, from a restated $11.3m in the first quarter of 1984.

* * *

South African Manganese Amcor, the world's biggest supplier of manganese, has made a comeback in the year to February 20. It has made a pre-tax profit of R118.04m (£49m) against a loss of R485,000. At net level after extraordinary item, earnings come out at R93.97m against R14.39m. The final dividend is lifted to 27 cents to make a total for the year of 37 cents against 5 cents.


ROCKWARE

● Year of revival – turnround of £20m.
● Borrowings reduced significantly.
● Better results from reduced industry capacity and realistic pricing.
● Opportunities to develop packaging skills.

"1984 began with new but cautious confidence – the results show the confidence was well-founded. Better results have flowed from cutbacks in excessive industry capacity, realistic pricing and glass containers increase of one per cent share of total packaging ... productivity has never been higher in our factories ... I believe our turnround is significant – it points towards improving profits and indicates a new momentum in policy and management. There is no reason to think that 1985 will be any easier than 1984, but we are determined to make it more profitable."

Sir Peter Parker, *Chairman*

Summary of Results

| | 1984 £000 | 1983 £000 |
|---|---|---|
| Sales | 124,171 | 131,470 |
| Profit (Loss) before taxation | 2,735 | (12,827) |
| Earnings (Loss) per Ordinary Share before extraordinary items | 7.70p | (60.46)p |

ROCKWARE GROUP plc

Copies of the 1984 Annual Report & Accounts may be obtained from The Secretary, Rockware Group plc, Riverside House, Riverside Way, Northampton NN1 5DW.



STEETLEY

Record results – "growth set to continue"

Results for the Year Ended 31st December, 1984

| | 1984 | 1983 | |
|---|---|---|---|
| Turnover | £421m. | £385m. | + 9.3% |
| Profit before taxation | £32.7m. | £23.2m. | +40.8% |
| Earnings per share | 33.10p | 24.28p | +36.3% |

Despite an uneven market for construction materials, we improved performance in sand and gravel, aggregates, ready-mixed concrete and bricks. We have strengthened construction materials through acquisition, and as a result, the rate of addition to reserves has exceeded our rate of extraction.

As previously reported, the sale of the Australian minerals business was completed in June. Our main investment outside Europe is now in North America where the minerals business showed a great advance during the year. Owing to the depressed economic conditions in Western Canada, our distribution activities there did not recover as fast as we had expected.

One of the factors which has led to improved profits has been a continuous effort to concentrate on the growth areas of the Group and, at the same time, to dispose of assets that would not contribute an adequate return in the long term. This policy has led us to invest in major capital expenditure. In particular, an automated clay tile plant was brought into production at Keele, and a new highly efficient brick plant of 50 million bricks capacity will be commissioned during this year.

We expect the recent high level of capital expenditure, particularly in brickworks and aggregates, and the cost cutting that has been carried out, to produce a further increase in profits in 1985.

D. L. Donna
*Chairman*

STEETLEY PLC
GATEFORD HILL, WORKSOP,
NOTTINGHAMSHIRE S81 8AF

هكذا من الأصل

# UK COMPANY NEWS

# APPOINTMENTS

## Gallaher earns record £37m in first quarter

Gallaher attained record results in the first three months of this year with pre-tax profits advancing from £36.9m to £38.2m after a more than doubled interest charge of £5.9m, reflecting both higher rates and acquisition costs.

Tobacco, the group's mainstay business, experienced a buoyant home market as a result of the trade buying record volumes ahead of the Budget.

"Export sales showed good growth," the directors state and add that overseas tobacco subsidiaries' trading profits were up by 9 per cent.

Overall, tobacco operations contributed trading profits of £36.8m compared with £34.7m.

Gallaher, which is wholly-owned by American Brands Inc of the U.S., has other interests in optics, pumps and valves, retailing and wholesaling, office products and housewares.

The optical side achieved "good sales growth" with trading profits ahead by over 6 per cent to £3.4m. In engineering, an improvement from Saunders Valve was more than offset by the effects of the miners' strike and the drought in Africa on Mono Pumps.

"Excellent figures" were achieved by Forbuoys which helped distribution activities record a 36 per cent rise to £1.9m. Ofrex, office products, was held back by "somewhat sluggish trading conditions," with particular difficulties in Australia — profits from this division fell by £100,000 to £500,000.

Within housewares, Prestige made a "sound start" to the year although demand in the UK was quiet.

Group turnover for the three months amounted to £877.5m against £743.3m. Turnover for the whole of 1984 was £2.84bn which generated pre-tax profits of £108.2m.

## J. J. Frost ahead by 25% despite lease dispute

SOLID ALL round progress has been achieved by the J. J. and D. Frost group in 1984, with turnover rising 39 per cent to £35.34m and the profit before tax increasing by 25 per cent, from £831,000 to £1.04m. The group intends to build on its three successful and complementary divisions—petroleum retailing, sales promotion, and banking services.

The dividend is lifted from 2.3p to 3.5p net, the final being 2p.

Mr R. J. Frost, the chairman, says the progress of 1984 was "all the more remarkable" as the results include a loss of revenue in Look Service Stations (operator of leasehold sites) as a result of the lease terms dispute with Elf Oil.

The rent review date has now arrived and the group has been advised that the lease terms should be reduced by around £1m per annum. Cost to shareholders of this dispute included in the 1984 figures for the five months is about £250,000, and for January to March 1985 will be around £200,000 up to the review date.

During the year 13 new petroleum sites were acquired and a further 20 net acquisitions are anticipated for 1985. The chairman looks for further progress this year.

After tax £210,000 (£234,000) and minorities £175,000 (£192,000), earnings per share are shown to be ahead from 6.66p to 7.17p.


## Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers

8 Lovat Lane London EC3R 8DT Telephone 01-621 1212

### Over-the-Counter Market

| High | Low | Company | Price | Change | Gross div.(p) | Yield % | P/E Actual | P/E Fully taxed |
|---|---|---|---|---|---|---|---|---|
| 144 | 123 | Ass. Brit. Ind. Ord. | 134 | + 1 | 6.4 | 4.4 | 8.0 | 9.5 |
| 151 | 135 | Ass. Brit. Ind. CULS | 148 | — | 10.0 | 8.7 | — | — |
| 77 | 51 | Airsprung Group | 55 | — | 6.4 | 11.8 | 6.1 | 7.2 |
| 42 | 28 | Armitage and Rhodes | 34 | [illegible] | 2.9 | 8.5 | 4.2 | 7.0 |
| 146 | 108 | Bardon Hill | 142 | — | 3.4 | 2.4 | 14.9 | 23.6 |
| 56 | 42 | Bray Technologies | [illegible] | [illegible] | 3.9 | 7.6 | 6.3 | 7.2 |
| 201 | 170 | CCL Ordinary | 170 | — | 12.0 | 7.1 | — | — |
| 152 | 110 | CCL 11pc Conv. Pref. | 110 | — | 15.7 | 13.8 | — | — |
| 1200 | 100 | Carborundum Ord. | 1186xd | — | 49.0 | 4.1 | 6.9 | 9.2 |
| 88 | 94 | Carborundum 7.5pc Pf. | 88 | — | 10.7 | 12.2 | — | — |
| 73 | 49 | Deborah Services | 49 | — | 6.5 | 13.3 | 4.7 | 7.5 |
| 316 | 182 | Frank Horsell | 316 | — | — | — | 12.7 | 18.6 |
| 268 | 170 | Frank Horsell Pr.Ord.87 | 260 | — | 9.8 | 3.7 | 18.4 | 13.7 |
| 32 | 25 | Frederick Parker | 28 | — | — | — | — | — |
| 58 | 33 | George Blair | 57 | — | — | — | 3.6 | 7.7 |
| 50 | 21 | Ind. Precision Castings | 21 | − 1 | 2.7 | 12.9 | 5.8 | 6.2 |
| 218 | 186 | Isis Group | 187 | — | 15.0 | 8.0 | 7.4 | 13.6 |
| 124 | 101 | Jackson Group | 106 | — | 4.9 | 4.7 | 4.9 | 8.5 |
| 285 | 213 | James Burrough | 240 | − 2 | 13.7 | 5.7 | 8.5 | 8.5 |
| 93 | 83 | James Burrough 9pc Pf. | 88 | + 2 | 12.8 | 14.7 | — | — |
| 87 | 71 | John Howard and Co. | 85xd | — | 5.0 | 5.9 | 8.7 | 10.6 |
| 218 | 100 | Linguaphone Ord. | 218 | + 2 | — | — | 8.0 | 8.4 |
| 100 | 93 | Linguaphone 10.5pc Pf. | 98 | — | 15.0 | 15.3 | — | — |
| 650 | 300 | Minihouse Holding NV | 650 | — | 3.8 | 0.6 | 46.8 | 51.2 |
| 120 | 31 | Robert Jenkins | 51 | + 1 | 5.0 | 9.8 | — | — |
| 50 | 28 | Scruttons "A" | 34 | — | 5.7 | 16.8 | 17.9 | 4.1 |
| 82 | 61 | Torday and Carlisle | 76 | — | — | — | 8.2 | 17.3 |
| 444 | 330 | Trevian Holdings | 330 | — | 4.3 | 1.3 | 18.8 | 18.4 |
| 30 | 17 | Unilock Holdings | 30 | — | 1.3 | 4.3 | 14.8 | 21.0 |
| 96 | 61 | Walter Alexander | 96 | — | 7.5 | 7.8 | 9.5 | 11.6 |
| 247 | 218 | W. S. Yeates | 220 | — | 17.4 | 7.9 | 8.3 | 10.8 |

Prices and details of services now available on Prestel, page 48146



This announcement appears as a matter of record only

WESTBURY

WESTBURY HOMES GROUP LIMITED

A new company formed by its management has purchased Westbury Homes plc for approximately £11.75m.

In addition to the management, the following institutional investors have subscribed to the issued share capital:

Brown Goldie & Co Limited
Citicorp Venture Capital
Colonnade Development Capital plc
County Bank Development Capital
Electra Investment Trust plc
Gresham Trust plc
The Hoare Candover Exempt Fund
Investors in Industry plc
Kleinwort Benson Development Capital Limited
Legal & General Assurance Society Limited
The London Life Association Limited
Midland Bank Equity Group
Murray Ventures plc
CIN Industrial Investments Limited
North British Canadian Investment Company plc
The Prudential Assurance Company Limited
Target Group

arranged by

Investors in Industry plc

Pruventure

in association with

Panmure Gordon & Co


## Farnell rises by 28% to over £20m

Farnell Electronics, the electronic components distributor and manufacturer of power supplies, achieved a 28 per cent increase in taxable profits from £15.79m to £20.29m in the 53 weeks to February 3 1985.

Nearly all the improvement stemmed from the electronic component distribution division which raised its contribution by £4.62m to £15.47m.

Electronic manufacturing and marketing operations returned less at £3.2m, against £3.84m, while the consumer goods distribution side contributed an unchanged £142,000 — other activities, including the parent company, added £1.47m, compared with £950,000.

Total turnover amounted to £77.82m, against £62.86m, with £49.93m, up from £38.85m, attributable to electronic component distribution.

The total dividend is being lifted from an equivalent 1.5p to 1.8p with the final payment up by 0.1p to 1p. Stated earnings per share were 2.5p higher at 9.1p.

Tax took £8.9m (£7.63m), leaving the net balance at £11.39m (£8.16m). After minorities and dividends the retained profit was £9.14m (£6.28m).

### ● comment

The strengths of Farnell Electronics seem to come through most in times of weak demand in the industry. In these results there is little sign that the dominant distribution business has been effected by poor demand—quite the reverse since margins, already high at 28 per cent have climbed to 31 per cent. The key to this success is Farnell's emphasis on small-batch distribution rather than bulk supply—and the customer base of small businesses is clearly very resilient. The picture is somewhat different in power supply manufacturing where profits have fallen in line with industry destocking but this activity now accounts for only 15 per cent of the group's profits and this proportion is likely to fall still further in the current year. Overall, the group should make £23m pre-tax, possibly more, but the outlook depends very much on when industry demand for electronic components begins to pick up. The distributors are looking anxiously to the U.S. for the first hints of recovery. When this comes, Farnell shares could be ripe for a rapid re-rating, after falling behind the market in the past year. At 195p unchanged they are good value, trading on a multiple of 17.

## James Beattie

With earnings showing a rise of 25.6 per cent, from 9.79p to 12.3p, for the year ended January 31 1985, James Beattie is lifting its dividend from 3.4p to 4.25p net. A 1-for-1 scrip issue in A ordinary shares to both classes of ordinary holders is also proposed.

Sales of the group, which operates six department stores in the West Midlands, rose only 9.7 per cent to £41.72m. But hte trading profit was up 18.6 per cent to £4.14m and the pre-tax balance hy 17.4 per cent, from £4.19m to £4.92m. Tax took £2.1m (£1.85m).

## Rush & Tompkins profits lag behind soaring sales

THE LONG term nature of the Rush & Tompkins Group business—property investment and construction—is highlighted in the 1984 results, state the directors.

Turnover has resumed its upward path with a 36 per cent rise to £117.8m, but the trading profit has hardly moved and the pre-tax balance shows only a 3.15 per cent increase, from £2.95m to £3.05m.

However, the directors consider the results justify an increase in the dividend, and are paying a final of 5.65p a total of 7.65p net, against 7.25p.

Because the businesses have certain seasonal aspects the directors are changing the accounting year-end to March 31. The next accounts will cover 15 months to March 31 1986, and dividends will be paid in January, June and October; thereafter they will normally be payable in April and September each year.

Mr D. Palmar, the chairman, says in the years 1982 and 1983 profits rose by 65 per cent on a small increase in turnover. This year expansion in turnover was resumed and was almost equally divided between the UK and overseas.

"Even this much higher figure understates the real growth in our property business in the United States of America where we operate through partnerships, the whole of whose turnover is not reflected fully in our group accounts."

Although there is a time lag between turnover and profits, the group still achieved an increase of 25 per cent in trading profit in the two years 1983-84, says Mr Palmar.

In the year net rents came to £2.58m (£2.44m) and the trading profit to £3.03m (£3.1m). Interest charges were £2.56m (£2.59m).

Earnings are shown at 22.6p (21.9p) after tax £491,000 (£546,000) and minorities £2,000 (£8,000). There are extraordinary charges of £200,000 (£301,000) of which the main item is reorganisation costs.

Mr Derek Palmar

Rationalisation of the property investment portfolio has continued, says the chairman. Land and building, mainly of an industrial nature and representing 10 per cent of the portfolio, have been sold and replaced by nearly £5m of retail and office property.

There was an increase in borrowings at the year end as a result of further investment in property and development in both the UK and the U.S.; these should fall as the developments are sold. The holding in undeveloped land is also being reduced.

Bankers are giving substantial support and early this year a syndicate of five of them made available a U.S. $15m medium-term multi currency unsecured loan facility, which will provide funds for the property business in the U.S.

Total net borrowings are just over 50 per cent of the investment in property. This investment, some £80m at the year-end, was made up of £47.5m being the value of the UK portfolio; £18.9m being land and buildings held for or in course of development, and £13.4m being the group's share of the assets of the American partnerships. In the directors' opinion the current market or realisable value of the assets substantially exceeds book value.

At the year-end net asset value was shown at 377p per share, against 379p a year earlier.

All properties held as fixed assets have been valued by Mr A. E. Leyland, a director, with professional assistance, and they have put an open market valuation on the properties of £47.6m, which has been incorporated in the accounts. The group's share of a property held as an investment in the U.S. was professionally valued at $5.65m, and that has been taken into the accounts.

### ● comment

Denizens of the City may already be aware, as a result of the traffic congestion caused by the Aldersgate development, of Rush & Tomkins' single most important property development. Letting contracts on this 40,000 sq ft project may well soon be signed and could add 40p to the group's net assets per share. More news on this development, plus a rise in total dividend, that takes the yield up to 4.44 per cent should all compensate for the failure of pre-tax profits to live up to forecasts—the £3m is about £½m shy of the analysts' average. Lower margins pins the decision to go for turnover growth rather than a profits increase have also had an effect. At present the shares are trading at a 35 per cent discount to net asset value—possibly reflecting caution by the market in rating a company with a gearing of over 90 per cent—a little too rich even for a property developer although some of the edge is taken off this by the non-recourse funding used in the U.S. which limits the risk exposure of the parent. For 1985 the market is looking for pre-tax profits of just over £4m, which on a modest tax rate of 15 per cent (the group has £21m in tax allowances in its books) put the shares, at 244p, on an undemanding prospective multiple of 8½.

## Lloyds Bank changes

Mr David Harrison has been appointed an assistant general manager in the corporate banking division of LLOYDS BANK. He succeeds Mr Martin Cruttenden, who is now general manager, group headquarters. Mr Harrison, previously regional director and general manager for Greater London (South), has been succeeded by Mr Terry Baker, formerly manager of the bank's City office. Mr Tony Bird is the new manager of City office. He was previously deputy regional general manager in Central London (West) regional head office. Mr Peter Constable has been appointed regional director and general manager for Greater London (North), succeeding Mr Vic Tyrrell, who has retired. Prior to his appointment, Mr Constable was on secondment to the Committee of London Clearing Bankers.

★

Mr Rob A. Harris has been appointed secretary and chief financial officer of McCORQUODALE COMMERCIAL PRODUCTS.

★

WESTBURY HOMES GROUP has appointed Mr David Winch as its new chairman. He was on the board of Tarmac and chairman of Tarmac Industrial Holdings.

The NEWCASTLE BUILDING SOCIETY has appointed Mr D. W. Midgley a general manager. He has been deputy general manager since 1983.

★

ALEXANDER HOWDEN has made Mr M. R. McDermott and Mr R. Drain directors.

★

Mr F. E. Bullen has become a director of ALEXANDER HOWDEN REINSURANCE BROKERS.

★

Mr Herbert John Tudball has retired as director and company secretary of SIDNEY C. BANKS. Mr Colin Newman Thomson has succeeded him as company secretary. Mr Thomson has been with the company since 1974 as chief accountant.

★

Mr Philip Court, chief general manager of Midshires Building Society, has been appointed chairman of the MIDLAND ASSOCIATION OF BUILDING SOCIETIES. Mr Court, who already represents the Midlands on the Building Societies Association's National Council, previously served for one year as deputy chairman to the Midland Association.

★

Mr Mike Burgin (Nissen International) and Mr John Warren (C. L. Gaul and Co) have been elected as the first chairman and vice chairman respectively of the RECREATION AND LEISURE TRADES ASSOCIATION, a new member group affiliated to the British Sports and Allied Industries Federation.

★

Mr Keith Jacobs, BIRDS EYE WALL's marketing director, is to leave at the end of July to take up an outside appointment. He will be succeeded as marketing director by Mr Eric Walsh, presently general marketing manager (frozen foods).

★

BRADBURY WILKINSON has appointed Mr Derek Salmon as managing director of security printers Aero-Print, of Aylesbury. He was formerly general manager of Burroughs Business Forms UK and previously held a succession of senior appointments with Rank Xerox.

★

Mr Arthur A. Bruneau has elected to the board of ALCAN ALUMINIUM. He replaces Mr Frank S. McCarthy who has resigned for personal reasons. Mr Bruneau, who has been secretary and chief legal officer since 1972, has also been appointed senior vice president. Mr Michael C. d'E. Miller has been appointed director of corporate communications.

★

LAING PROPERTIES (UK), the subsidiary recently formed by Laing Properties to be responsible for its activities in the UK, has appointed Mr Geoffrey Glover as deputy managing director. He will be responsible for the operating divisions: retail, offices, industrial and technical services.

★

HENDERSON UNIT TRUST MANAGEMENT has appointed Mr I. C. Dickson, Mr S. C. Nevitt, Mr R. D. Bush and Mr P. J. Thornill directors.


# Good news.

**Extracts from a statement by the Chairman, Mr John M Menzies:**

"We started the year with two main activities, namely, distribution and services. It was decided to concentrate our resources in the distributive area where our corporate knowledge and skills lie. The cash proceeds from rationalisation created a strong balance sheet for the expansion of our mainstream business. A number of propositions are being actively considered."

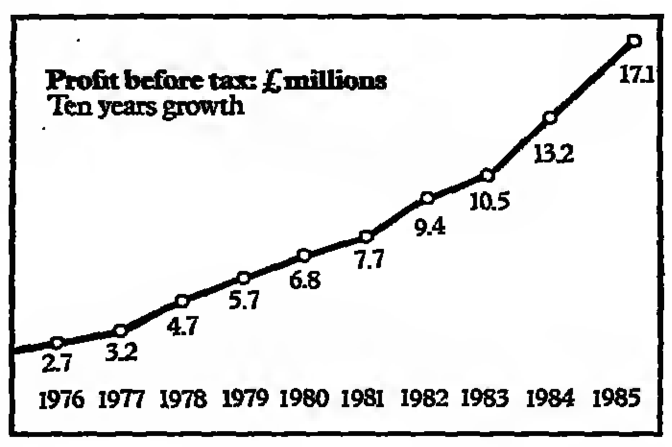
"It is worthy of note that over the past five years investment through capital expenditure and acquisitions in our main business has amounted to more than £35m."

"Group turnover has increased by 9.6% over the previous year. Pretax profits have increased by 29.5%. This is another excellent performance."

"All areas of the Group contributed to the increase."

"A final dividend of 2.25p per share is recommended making a total dividend of 3.375p per share, an increase of 12½%."

"The new trading year has got off to a good start in all areas of the Group and I have high hopes that another satisfactory increase in profits lies before us."




| | 1985 £m | 1984 £m |
|---|---|---|
| TURNOVER | 505.3 | 461.2 |
| PROFIT | | |
| BEFORE TAX | 17.1 | 13.2 |
| AFTER ACTUAL TAX | 9.2 | 9.2 |
| ORDINARY SHAREHOLDERS' FUNDS | 43.2 | 38.0 |
| PER ORDINARY SHARE | | |
| EARNINGS–ACTUAL TAX | 16.1p | 15.9p |
| DIVIDENDS | 3.375p | 3.0p |
| DIVIDEND COVER | 4.8 | 5.3 |

John Menzies

*If you would like to receive a copy of John Menzies' 1985 Annual Report, please write to: The Secretary, John Menzies plc, Hanover Buildings, Rose Street, Edinburgh EH2 2YQ.*

## TECHNOLOGY

EDITED BY ALAN CANE

# Secret ingredient at Schweppes

**Peter Marsh** investigates the skills of the flavour scientists

Hugh Routledge

Mike Woodrow in the laboratory: "More an artist than a scientist . . ."

MIKE WOODROW has proud memories of a concoction called Red Bitters.

Mr Woodrow, senior flavour scientist at Schweppes International, recalls that perfecting the taste for the drink, a non-alcoholic form of Campari, was a particularly complex task that stretched to the limit his abilities to conjure up o required flavour from a mixture of chemicals and fruit extracts.

Schweppes, the soft-drinks arm of the £2bn-turnover Cadbury Schweppes group, employs Mr Woodrow and three other flavourists as vital elements in the race to open up new market opportunities in the world drinks business.

"The crucial thing (about a new drink) is character ood point of difference," says Dr Alan Grinham, Schweppes's director of research and development.

Thus the skills of the flavour scientists are invariably behind any additions or embellishments to the company's range of drinks products, which currently stands ot 400.

In soft drinks Schweppes is fifth largest in terms of sales, after Coca-Cola, Pepsi-Cola, 7-Up and Dr Pepper, which are all U.S.-owned. The first two gronps dominate in this area, accounting for more than balf total sales, which are estimoted at about £70bn a year.

Scbweppes or other companies with whicb it has franchising ogreements have bottling plants in 59 countries and between them account for annual drinks sales of about £1bn.

The importance of flavour technology was demonstrated last week when Coca-Cola said it had changed the secret recipe for its brand-leoding drink. The company said the new recipe would give o sweeter, improved tsste—though Pepsi, Coca-Cocal's arch rival, immediately heralded the announcement as evidence thot the world leader bad lost confidence in its staple product.

The fierceness of the competition in soft-drinks is illustrated by Dr Grinham's reluctance to name Mr Woodrow's three colleagues for feor that they might be poached by the opposition.

And an inpenetratable sbroud of secrecy bangs over an unnamed Scbweppes worker, 28 years with the company, wbo is employed to commute oround five factories in Britain, South Africa, Bulgaria, Spain and Australia to supervise mixing of vital extractions in Schweppes tonic water, the company's top selling product.

This man, who works at the company's research headqnarters in north London but is kept firmly out of the public gaze, is one of the only five people in the group wbo knows the full recipe for the drink, whose uniqueness, according to Schweppes, lies in a particular essence made from oranges and lamons.

Dr Grinham says of his team of flavourists: "They are more artists than scientists. They have an obility to detect from a complex mixture of chemicals that there is o certain note that will affect taste."

The work of Mr Woodrow and his colleagues starts with a request from the company's product developers to find a flavour with a particular cbaracteristic, perbaps with a hint of tropical fruit or something that is vaguely exotic.

The four flavourists have st their disposal a "bank" of several thousand liquids, which are fruit cxtracts or cbemicals either produced by Schweppes or bought from suppliers.

The flavourists rely on their noses to come up with the right formulations. They each have their own sealed, air-conditioned room to keep away off-putting smells. Typically, the worker sniffs a sequence of mixtures before producing a dozen or so that be thinks will satisfy a specific hrief.

Tasting comes afterwards. "If it smells right, then it's worthwhile to taste," says Mr Woodrow.

Later comes the refining of the formulation to meet comments from marketing people and engineers who may be called upon to devise plans to make the product.

Mr Woodrow says that hazards of the job include comments from acquaintances who complain be smells fruity. And colds can be a problem as a blocked nose reduces his effectiveness.

According to Dr Grinham, each of the flavourists have their own special style. He can normally tell which of them developed a specific flavour — even though he cannot put into words what is unique about each person's work.

Mr Woodrow and his colleages come up with about eight new flavours a week. On overage, roughly one in 30 evolves into s new formulation whicb goes on the market.

Generally, an idea for a new flavour takes three months to develop into an approved formula. Nine months or so loter, the new drink swings into production, in one of 420 bottling plants run by Schweppes or its franchisers.

In rough terms, only 0.1 per cent of the beverage is accounted for by the all-important flavouring ingredients. These are shipped to the bottling plants in liquid form (either dissolved in alcobol or mixed with water to formend emulsion) from the five Schweppes factories that turn out flavours.

In a fruit drink such as hitter-lemon or orange, perbaps 80-90 per cent of the beveraga is carbonated watar. Often, less than 10 per cent is fruit extract, which Scbweppes produces at 12 plants around the world in a secret process.

This figure can, however, be higher in some drinks which Scbweppes promotes as heing particularly nutritional—Appletise, for instance, contains 100 per cent apple extract. The remaining ingredients are typically citric acid, sugar and colouring.

## A world of oranges, lemons and fizz

WITH BOTTLING plants in ronghly a third of the world's nations, Schweppes continually tries to cross-fertilise ideas from aroand the globe to come up with formulations suited to a particular country.

A team of flavourists in north London may be hrought in either to adapt a brew already in production or to devise a new prodnct for a specific nation.

In Japan (a market that Schweppes entered only two years ago) the company tried out a new product, a drink based on passion fruit and oranges. Japanese citizens appear to like smooth-tasting beverages and find the taste of conventional Western soft drinks somewhat harsh.

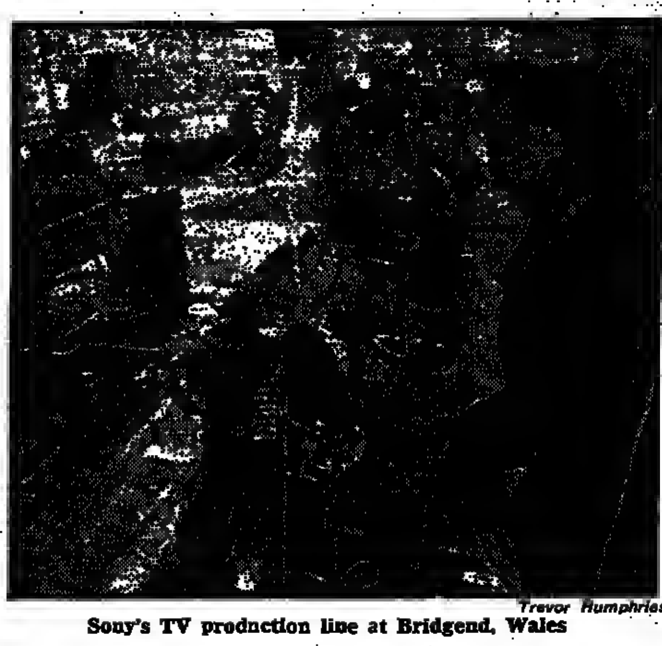
The drink was made with oranges from Isroel, passion fruit from Brazil and khnow-how from London. Further products chosen hy Schweepes for Japan were a grapefruit drink, based on emheilishments of a product sold in Norway and made with fruit from Israel, and an apple beverage (ideas from Austria, fruit from West Germany).

In Jopan, Schweppes entered the market through a franchise agreement with Asahi, a brewer, which was responsible for bottling and marketing, leaving the soft-drinks expertise to the British company.

In Egypt, Schweppes came to a similar arrangement with an Egyptian company called Al Mohandes. Since the frnachise deal was agreed four years ago, people in Egypt have heen sampling a Schweppes tangerine drink (tangerins shipped in from Turkey and marketing expertise from Bulgaria) as well as a new mango produet based on fruit grown locally.

Other drinks chosen for the Egyptian market included beverages based on organes and lemons and the nbiquitous tonic water.

The people who sell Schweppes's prodncts in Britain have also benefited from ideas developed elsewhere. This year the company has introdnced in the UK two new drinks—the Japanese orange/passion fruit mixture and Limor, a non-fizzy form of hitter-lemon, which was originally developed for Spain.



Trevor Humphries

Sony's TV prodnction line at Bridgend, Wales

## Electronic prototype for commercial ordering

BY ELAINE WILLIAMS

MULLARD, the UK-based electronic components subsidiary of Philips of the Netherlands, and Sony of Japon, one of its biggest customers, are linked through an electronic system whicb many sea as a prototype of commercial ordering networks of the future.

Mullard in the UK runs o viewdata system for its customers called Movies—terminals have heen installed on their premises connected over telephone lines to a Mullard computer. Messages can be sent both ways—Mullard can give its customers an idea of what it has in stock and its customers can place their orders at the speed of light.

Sony places the hulk of its orders for its Bridgend, south Wales, factory with Mullard over this network. The advantages from Sony's point of view include the obllity to check the status of back orders and deliveries. It also functions as a simple electronic mall system.

Mullard's potential advantages include a reduction of administrative costs hecause the customer originates the order entry, increased sales to key customers because of the new efficiency of the system and potential access to competitive information.

Suppliers of production equipment to Sony's UK foctory like National Panasonic bas also estbllsbed provate viewdata for the ordering of spare parts and to make its simpler to call service engineers in the casa of machine failnre.

Companies like Mullard, National Panasonic and Sony are pioneering some of the most exciting new uses of viewdota, a technology of wbich much was hoped because of its effectiveness and low cost, but which has bad to wait until adoptian by commerce and industry to realise that potential. Now in the UK, more than 50 per cent of the 52,000 viewdsta sets installed are in business applicatians.

Sony operates its own in-bouse system connected to electronic noticeboards around tha Bridgend location, giving the latest news from the local camera club, the dak's menu from the canteen and personal advertisements.

Now it is developing a new viewdata network as part of its £6.5m investment in new production facilities at Bridgend.

It will be used to track the production of televisions and viewdota sets

Eacb circuit board will hsve a unique bar code to make it possible to track electronically its progress through the factory.

Some 30 per cent of tha 800 components which make up a television main control board are still inserted by hand. Sony's managers hope tha new viewdata system will help to stimulote worker's interest in reducing errors during this repetitive process. An average of 1,500 circuit boards will pass eacb operator station each week.

Design and Construct
Norwest Holst

## Viewdata system for Lloyds

RADIO RENTALS Contracts, part of the Thorn EMI group, has just completed a viewdata system for Lloyds Bank that will be used to provide up-to-date information for personal loan applications and insurance examples for customers in Lloyds new "Saturday Service" hranches.

RRC's viewdata terminals are linked via BT telephone lines to mainframe computers in Nottingham which store over 42m pages of information. After initial use in London headquarters offices and in the 130 hranches that open on Saturday, the service may he extended to other parts of the UK.

Customers will be able to apply for on-the-spot personal loans np to £5,000.

RRC supplied and installed 200 Sony KTX-9000 UB viewdata terminals and a similar number of alphanumeric keyboards for the system which provides a 14-page memory store facility to minimise on-line telephone costs as well as automatic dial and re-dial facilities.

## Saving energy

A JOINT venture by Harwell and ICI is aimed at rednclng energy costs in the process industries by np to 70 per cent.

To be called the Energy and Process Integration Service (EPI), the venture will make available process integration techniqnes successfully developed and applied by ICI where savings of nearly £30m a year have been identified. They offer a systematic alternative to the piecemeal approoch often adopted in energy conservation.

In the UK, EPI is already carrying out work for British Sugar, Courtaulds Fibres and Procter & Gamble, among others. Abroad, several companies in the U.S. and India are consulting ICI.

Many happy returns.


When Thai became airborne in 1960, our philosophy was simple. Only the best of people would run the airline. Only the best aircraft would make up the fleet.
And the standard of service would be of the gracious, traditional kind. Thai's Royal Orchid Service took off and hasn't stopped climbing since.
Our pioneering spirit has flourished, too, since we opened up Kathmandu and Bali in the late 1960's.
We were one of the first to establish a special business class.
We introduced the first non-stop flights to Europe. And established a north-west gateway to America.
Served by an ever-expanding fleet of magnificent 747Bs and wide-bodied A300s, Thai's route network now includes over 40 cities in 32 countries across four continents.
Many happy returns, many happy departures.

25th
CELEBRATING THAI'S 25th ANNIVERSARY

M&C/THA/7848

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FINANCIAL TIMES

Wednesday May 1 1985



Euro D-Mark floater market opens with a bang, Page 38

WALL STREET

# Economic data prove discouraging

THE DISCLOSURE of fresh indications of sluggishness in the U.S. economy depressed Wall Street stocks again yesterday, *writes Terry Byland in New York.*

An unexpected dip in the Commerce Department's leading economic indicators for March, together with another fall in U.S. factory orders and an $11bn trade deficit in March, all discouraged any recovery in blue chips.

At the close the Dow Jones industrial average was down 1.66 at 1,258.06.

Technology stocks fell away after a quiet start while tobacco shares weakened on growing concern over impending cancer lawsuits. The bond market added about half a point but was overshadowed by the prospect of the Treasury refunding announcement, due late in the session.

The fall in leading indicators, contrasting with Wall Street predictions of a small rise, fed the nervousness in the stock market which lay behind Monday's 15 point fall in the Dow.

The Dow transportation average was dragged down by fresh losses in railstocks, which will be early sufferers from a slowdown in manufacturing activity. Norfolk and Southern, at $62⅞, lost $1¼, and Burlington Northern at $49½ was $1⅛ off.

In the airlines, United fell a further $1⅜ to $40 as investors remained unimpressed both by the recent trading results and by the planned purchase of Pan American's Pacific operations – some analysts have suggested that United may be paying too high a price. Pan American, at $4⅞, shed $¼.

Eastern Air Lines, which has soared in analysts opinions as its survival plan has flourished, gained $⅛ to $8¾. American Airlines, United's chief competitor on the domestic routes, added $⅛ to $39⅛.

General Dynamics fell $⅞ to $66½ on news that it was laying off some of the workforce.

Trading in tobacco stocks was delayed after a downgrading by an analyst at Drexel, Burnham, Lambert brought a wave of sell orders. At mid-morning, Philipp Morris opened with a fall of $4⅛ to $86⅞, and R. J. Reynolds, $4¾ down at $77½. American Brands, at $64½, was $1⅞ off.

Tobacco stocks were hit by selling on Monday as Wall Street shied away from the implications of lawsuits coming to court next month, which attempt to pin legal responsibility for cancer deaths on to the tobacco companies. If successful, the claims would have formidable significance for the tobacco manufacturers.

Industrial sectors wilted at midsession. IBM shed an early gain to fall $⅝ to $125⅞. Other technology losers included Honeywell, $1¼ down at $54⅞, Digital Equipment, $1¼ lower at $97¾, and Control Data, $1⅛ off at $28¾.

General Motors, under selling pressure this week, brightened by $⅛ to $66⅞ after announcing it will build a new plant in Kansas. But at $40⅞, Ford lost $1.

There was heavy trading in oil stocks again as the market assessed Atlantic Richfield's plan to restructure. At $58⅝ it added $½, while Mobil, another candidate for possible restructuring, gained $⅛ to $30⅞.

Brisk turnover saw Federal National Mortgage Association (Fannie Mae), $¼ easier at $15⅝, in line with the price set for an issue of 7m common stock announced yesterday.

A block of 3.1m shares in City Investing was crossed through the third market at $37½ – down $½ on the overnight level. The unidentified seller was believed to be Sharon Steel.

Takeover stocks played a less active role. Unocal fell $½ to $46¼ as the struggle with Mr T. Boone Pickens continued.

In the credit markets, uncertainty over the policies of the Federal Reserve continued. Federal funds at 8⅞ per cent remained at the high end of the recent range, and the Fed again helped liquidity with overnight system repurchases.

The bond market turned higher following publication of the economic data, but investors were unwilling to enter the market ahead of the Treasury's disclosure of funding requirements for the new quarter – believed to be a record of about $20.5bn. The bond market has enjoyed a long holiday from Treasury funding pressures, and there is nervousness over its capacity to absorb the new flow, while uncertainty over the outlook for rates continues.

## KEY MARKET MONITORS


STOCK MARKET INDICES

| NEW YORK | April 30 | Previous | Year ago |
|---|---|---|---|
| DJ Industrials | 1,258.06 | 1,259.72 | 1,170.75 |
| DJ Transport | 573.74 | 578.39 | 496.91 |
| DJ Utilities | 153.62 | 154.13 | 125.00 |
| S&P Composite | 179.83 | 180.63 | 160.43 |
| **LONDON** | | | |
| FT Ord | 971.4 | 968.5 | 915.8 |
| FT-SE 100 | 1,291.0 | 1,292.9 | 1,138.3 |
| FT-A All-share | 622.11 | 622.24 | 534.74 |
| FT-A 500 | 682.57 | 683.19 | 583.77 |
| FT Gold mines | 501.3 | 508.6 | 672.8 |
| FT-A Long gilt | 10.57 | 10.57 | 10.34 |
| **TOKYO** | | | |
| Nikkei-Dow | 12,426.29 | 12,465.92 | 10,981.6 |
| Tokyo SE | 967.28 | 969.86 | 861.11 |
| **AUSTRALIA** | | | |
| All Ord. | 875.2 | 868.7 | 756.0 |
| Metals & Mins. | 568.2 | 561.5 | 536.7 |
| **AUSTRIA** | | | |
| Credit Aktien | 81.28 | 79.73 | 55.15 |
| **BELGIUM** | | | |
| Belgian SE | 2,218.54 | 2,223.83 | – |
| **CANADA** | | | |
| *Toronto* | | | |
| Metals & Minls | 2,017.1* | 2,029.0 | 2,085.0 |
| Composite | 2,638.2* | 2,650.8 | 2,323.3 |
| *Montreal* | | | |
| Portfolio | 130.30* | 130.92 | 112.54 |
| **DENMARK** | | | |
| Copenhagen SE | 186.79 | 187.70 | 198.59 |
| **FRANCE** | | | |
| CAC Gen | 215.4 | 215.4 | 178.2 |
| Ind. Tendance | 117.4 | 117.5 | 93.7 |
| **WEST GERMANY** | | | |
| FAZ-Aktien | 420.96 | 422.51 | 353.65 |
| Commerzbank | 1,226.1 | 1,230.1 | 1,032.1 |
| **HONG KONG** | | | |
| Hang Seng | 1,520.56 | 1,497.37 | 1,037.06 |
| **ITALY** | | | |
| Banca Comm. | 281.51 | 279.38 | 215.60 |
| **NETHERLANDS** | | | |
| ANP-CBS Gen | closed | 210.5 | 180.4 |
| ANP-CBS Ind | closed | 169.9 | 127.9 |
| **NORWAY** | | | |
| Oslo SE | 325.69 | 326.06 | 288.86 |
| **SINGAPORE** | | | |
| Straits Times | 791.81 | 795.53 | 993.91 |
| **SOUTH AFRICA** | | | |
| JSE Golds | – | 1,067.4 | 973.5 |
| JSE Industrials | – | 896.4 | 985.8 |
| **SPAIN** | | | |
| Madrid SE | 109.02 | 108.72 | 82.77 |
| **SWEDEN** | | | |
| J & P | 1,441.06 | 1,445.05 | 1,510.15 |
| **SWITZERLAND** | | | |
| Swiss Bank Ind | 424.2 | 424.5 | 378.0 |
| **WORLD** | Apr 29 | Prev | Year ago |
| Capital Int'l | 202.3 | 202.8 | 188.7 |

GOLD (per ounce)

| | Apr 30 | Prev |
|---|---|---|
| London | $321.00 | $323.50 |
| Zürich | $321.50 | $322.25 |
| Paris (fixing) | $325.07 | $322.34 |
| Luxembourg | $324.65 | $323.25 |
| New York (June) | $316.50 | $327.20 |

* Latest available figure

CURRENCIES

| | U.S. DOLLAR | | STERLING | |
|---|---|---|---|---|
| (London) | Apr 29 | Previous | Apr 29 | Previous |
| $ | – | – | 1.2425 | 1.23 |
| DM | 3.0975 | 3.111 | 3.8525 | 3.83 |
| Yen | 251.5 | 252.65 | 312.75 | 311.0 |
| FFr | 9.44 | 9.49 | 11.715 | 11.7 |
| SwFr | 2.5975 | 2.6115 | 3.23 | 3.215 |
| Guilder | 3.5 | 3.5165 | 4.35 | 4.325 |
| Lira | 1,983.5 | 1,987.0 | 2,465.5 | 2,442.5 |
| BFr | 62.3 | 62.65 | 77.45 | 77.0 |
| C$ | 1.36625 | 1.368 | 1.696 | 1.6825 |

INTEREST RATES

| | Apr 30 | Prev |
|---|---|---|
| **Euro-currencies** (3-month offered rate) | | |
| £ | 12¾ | 12¾ |
| SwFr | 5¼ | 5 5/16 |
| DM | 5 11/16 | 5 11/16 |
| FFr | 10 5/16 | 10½ |
| **FT London Interbank fixing** (offered rate) | | |
| 3-month U.S.$ | 8 13/16 | 8⅝ |
| 6-month U.S.$ | 9⅛ | 8 |
| **U.S. Fed Funds** | 8½ | 8 7/16 |
| **U.S. 3-month CDs** | 8.35 | 8.30 |
| **U.S. 3-month T-bills** | 7.83 | 7.83 |

U.S BONDS

| Treasury | | Apr 30* Price | Yield | Prev Price | Yield |
|---|---|---|---|---|---|
| 9⅝ | 1987 | 99 25/32 | 9.89 | 99 26/32 | 9.86 |
| 11⅜ | 1992 | 102 7/32 | 11.27 | 101 31/32 | 11.33 |
| 11¼ | 1995 | 99 6/32 | 11.44 | 99 4/32 | 11.44 |
| 11¼ | 2015 | 98 | 11.484 | 97 21/32 | 11.55 |

| Corporate | Apr 30* Price | Yield | Prev Price | Yield |
|---|---|---|---|---|
| AT & T | | | | |
| 10⅜ June 1990 | 96⅝ | 11.20 | 96⅝ | 11.20 |
| 3⅝ July 1990 | 77¼ | 8.50 | 77¼ | 9.50 |
| 8⅝ May 2000 | 77⅞ | 11.95 | 77⅞ | 11.95 |
| Xerox | | | | |
| 10⅞ March 1993 | 93.589 | 11.90 | 93.589 | 11.90 |
| Diamond Shamrock | | | | |
| 10⅝ May 1993 | 92⅝ | 12.10 | 92⅝ | 12.10 |
| Federated Dept Stores | | | | |
| 10⅜ May 2013 | 88¼ | 12.10 | 88¼ | 12.10 |
| Abbot Lab | | | | |
| 11.80 Feb 2013 | 97.186 | 12.15 | 97.186 | 12.15 |
| Alcoa | | | | |
| 12¼ Dec 2012 | 97.295 | 12.60 | 97.295 | 12.60 |

FINANCIAL FUTURES

| CHICAGO | Latest | High | Low | Prev |
|---|---|---|---|---|
| **U.S. Treasury Bonds (CBT)** 8% 32nds of 100% | | | | |
| June | 70–24 | 71–00 | 70–15 | 70–12 |
| **U.S. Treasury Bills (IMM)** $1m points of 100% | | | | |
| June | 92.01 | 92.08 | 91.89 | 91.93 |
| **Certificates of Deposit (IMM)** $1m points of 100% | | | | |
| June | 91.43 | 91.51 | 91.35 | 91.29 |
| **LONDON** | | | | |
| **Three-month Eurodollar** $1m points of 100% | | | | |
| June | 91.07 | 91.08 | 90.85 | 90.98 |
| **20-year Notional Gilt** £50,000 32nds of 100% | | | | |
| June | 106–15 | 106–24 | 106–14 | 106–18 |

COMMODITIES

| (London) | Apr 30 | Prev |
|---|---|---|
| Silver (spot fixing) | 508.00p | 507.90p |
| Copper (cash) | £1,222.00 | £1,253.00 |
| Coffee (May) | £2,108.00 | £2,117.00 |
| Oil (spot Arabian light) | $26.35 | $27.35 |

LONDON

# Firmer tone overcomes early unease

INITIAL UNEASE in London over Wall Street's performance on Monday showed clearly as blue chips were marked down early in the session.

The downward pressure was relatively light, however, and sales were readily absorbed. Subsequent selective purchases by institutional investors dispersed the uncertain mood.

Although volume was moderate, the tone continued to improve, helped by first reports of the latest CBI survey, and the FT Ordinary index ended 2.9 up at 971.4.

Early gains in gilt-edged stocks were pared by late profit-taking after an unexpected late recovery in the dollar.

*Chief price changes, Page 30; Details, Page 31; Share information service, Pages 32–33*

## HONG KONG

DEMAND for property issues dragged Hong Kong out of the past week's lethargy and left most stocks posting strong gains. The Hang Seng index rose 23.19 to 1,520.56.

Interest developed in Swire Pacific after the sale of Sutherland House in the central business district for a price above market expectations. The issue added 6 cents to HK$24.00. In other property stocks, Hongkong Land put on 2 cents to $5.70 and Sun Hung Kai Properties which reported lower 1984 profits was 60 cents ahead at HK$11.20.

Elsewhere, China Light put on 20 cents to HK$14.80, Jardine 30 cents to HK$12 while Hongkong Bank remained unchanged at HK$45.50.

## SINGAPORE

SELLING pressure continued in Singapore, and prices drifted lower throughout the day. The Straits Times industrial index lost 3.72 to 791.81.

Plantation issues remained firmer, however, on higher international prices for palm oil. Consolidated Plantations closed 10 cents higher at S$3.10, and Sime Darby put on 3 cents to S$1.94.

Cycle & Carriage lost 6 cents to S$3.82 on continued reaction to lower half-year results and Ssangyong Cement, also with lower profits and dividend for 1984, was 3 cents lower at S$1.84.

## SOUTH AFRICA

A HESITANT mood overcame Johannesburg, following a bomb blast in the headquarters of Anglo American, and most shares ended little changed.

Anglo American Corp, which put on 1 cent to R26.35, said it would reinstate the 14,400 black workers sacked at its Vaal Reefs mine; Vaal Reefs recovered half of Monday's losses to end up R4.25 at R188.

Platinums were narrowly mixed, with Rustenburg adding 1 cent to R17.10. Diamond share De Beers was also firmer at R10.32, up 7 cents.

## CANADA

TORONTO was broadly lower, taking its cue from Wall Street's performance.

Dome Petroleum was again active, gaining 5 cents to C$3.35. The company has guaranteed its chairman a payment of C$1.5m if he is fired or resigns following a takeover bid.

Golds were lower with Campbell Red Lake off C$⅝ at C$28½ and Lac Minerals C$⅛ lower at C$35⅞.

Industrials and utilities were lower in Montreal with banking issues showing slight gains.

EUROPE

# Run-down to May Day takes toll

THE run-down to today's May Day holiday took its toll on trading in European centres yesterday leaving most bourses little changed in quiet volume.

The weak overnight tone on Wall Street, where the Dow Jones industrial average posted its largest one-day retreat of the year, also proved an inhibition.

Some profit-taking in otherwise thin **Frankfurt** trading left the Commerzbank index down 4 at 1,226.1

Chemicals proved a weak sector. Hoechst, due to announce full 1984 figures later in the week, fell DM 2.30 to DM 212.70. Bayer was DM 2 lower at DM 213.50 and BASF fell DM 3.20 to DM 202.80. Pharmaceutical Schering declined DM 2 to DM 445.

Siemens was another of the day's losers, down DM 6.60 at DM 533.40, while AEG shed DM 2 to DM 109 and BBC fell DM 3 to DM 207.

**Markets in Amsterdam were closed for a public holiday.**

In the high-technology sector, IWKA gave up DM 9 to DM 307, Nixdorf fell DM 9.40 to DM 581.10 and PKI was DM 4 easier at DM 620.

Among motor manufacturers, Daimler and BMW each dropped DM 4 to DM 675 and DM 359.50 respectively, while Porsche eased DM 9 to DM 1,186. Conversely, VW put on DM 2 to DM 206.50 on expectations of good results due later this week.

Steelmaker Hoesch shed DM 1.10 to DM 107.70 as it confirmed that it would not pay a dividend for 1984, despite the improvement in operating profits.

Bonds were little changed in quiet trading, with no lead being provided by the dollar, which improved after the sharp overnight fall. The Bundesbank sold DM 27.1m of paper after sales totalling DM 17.2m the previous day.

An easier trend was also seen in **Brussels**, although activity picked up after the announcement of a cut in interest rates for short-term Treasury bills and the rate on 4-month money market certificates – the *fonds des rentes.*

Interest-rate sensitive utilities did not follow the price declines, ending little changed. However, trading in the financial holding, Société Générale de Belgique was more active after the interest rate announcement, and the stock fell BFr 10 to BFr 1,675.

Banque Bruxelles Lambert was unchanged at BFr 1,900 after shareholders authorised the bank to increase in capital.

Among industrials, Petrofina was BFr 10 lower at BFr 6,800, while in chemicals, Solvay turned down BFr 40 to BFr 4,200 after posting rises over several sessions.

A mixed to lower performance was seen in **Zurich**. Among holding companies, Adia rose SwFr 145 to SwFr 2,925 with its record annual results above market expectations.

Nestlé was steady at SwFr 6,550. But among other food issues, Hero registered, traded for the first time on the pre-bourse, fluctuated between SwFr 550 and SwFr 610, before ending SwFr 75 higher on the day at SwFr 575. The registered stock has been introduced to fend off any foreign takeover.

Bonds were little changed in relatively small volume.

**Paris** drifted lower with few investors prepared to take new positions.

Some demand was, however, seen for retail issues after their mark-down in the previous session. Printemps put on FFr 7 to FFr 232.

Meanwhile, the Treasury plans to tap the domestic credit markets with an issue of renewable bonds this week. The bonds, with six years to maturity, will be extendable at the holder's option after three years.

**Stockholm** was lower in very quiet trading with the mood soured by the planned strike by 20,000 civil servants which is scheduled to begin tomorrow. Volvo eased SKr 7 to SKr 264, Electrolux SKr 2 to SKr 317 and Ericsson SKr 8 to SKr 282.

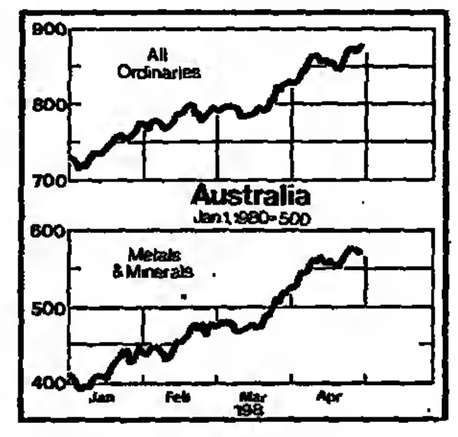
Pharmacea was SKr 3 lower at SKr 192. It signed a letter of intent with China's pharmaceutical administration covering the transfer of research and manufacturing technology to modernise the Chinese drug industry.

**Milan** ended firmer, partly reflecting a positive response to the announcement of the sale of IRI's SME and Sidalm food business to Buitoni.

SME climbed L42 to L1,270, having been as high as L1,300 in early trading despite a 100 per cent cash deposit on transactions imposed by the Stock Exchange Commission on Monday to curb speculative pressure.

IBP, the industrial branch of Buitoni rose L150 to L6,400. Montedison was again in demand adding L43 to L1,828.

**Madrid** was also marginally ahead as the Government announced a series of economic measures which, it said, would ease tight monetary policies to stimulate economic growth.




## AUSTRALIA

FURTHER records were set in Sydney after Monday's pause as prices rebounded in active trading, taking the All Ordinaries index up 6.5 to a peak of 875.2.

The pace of the market was set by BHP, Australia's biggest publicly-listed company, which attracted attention from overseas buyers encouraged by the weaker local currency. After heavy trading, BHP added 24 cents to A$8.26.

Other resource stocks followed suit, with CRA adding 2 cents to A$6.62 and North BH 5 cents higher at A$2.70. MIM, also actively traded, put on 14 cents to A$3.46.

Repco rose 3 cents to A$1.23, after reports of heavy buying from a Boston-based investment group.

Media stocks were firmer with News Corp 10 cents ahead at A$7.50. John Fairfax, which lifted its stake in David Syme, publisher of The Age newspaper, ended 20 cents higher at A$7.00.

Banks were easier on profit-taking after Monday's gains. Westpac lost 2 cents to A$3.84, and the National Australia Bank eased 6 cents to A$3.80.

TOKYO

# Lower trend after series of gains

A LOWER trend was seen in Tokyo yesterday after successive increases during the previous four trading sessions, but trading was thin as a result of the current round of public holidays in Japan, *writes Shigeo Nishiwaki of Jiji Press.*

Investors were also discouraged by the New York stock market's biggest loss since the beginning of this year.

The Nikkei-Dow market average droped 39.63 from last week's close to 12,426.29. Volume totalled only 243.58m shares compared with last Friday's 563.20m. Declines outnumbered gains by 396 to 316, with 168 issues unchanged.

Speculative funds flowed into some incentive-backed issues and blue chips in dull trading.

Nippon Yakin Kogyo attracted lively buying interest as a new materials-related issue, topping the active list with 24.15m shares changing hands and gaining Y24 to Y410.

Miyaji Iron Works, the second busiest stock with 8.28m shares traded, jumped Y45 to Y330.

Blue-chip precision instrument issues fared well. Minolta was traded briskly against the backdrop of a strong business performance and rose Y17 to Y878. It was the third most active stock with 7.02m shares. Shimadzu advanced Y19 to Y779, supported by small-lot foreign buying.

But other blue chips were bearish, with Sony losing Y50 to Y4,370 and NEC Y20 to Y1,080.

Major construction issues firmed on speculation that the Government might increase public works spending, under heavy U.S. pressure to stimulate domestic demand in order to expand imports and whittle down Japan's huge trade surplus with the U.S.

Kajima Corp added Y5 to Y314, Taisei Corp Y2 to Y232 and Tobishima Corp Y7 to Y284.

Oil issues became popular, bolstered by the yen's firmness against the dollar. Teikoku Oil, the fourth most active issue with 5.29m shares, spurted Y30 to Y610. Showa Shell Sekiyu gained Y27 to Y580 and Maruzen Oil Y12 to Y290.

Conversely, biotechnology-related issues lost strength on a broad front. Kirin Brewery came under strong profit-taking pressure, shedding Y6 to Y647. Green Cross lost Y120 to Y2,860. Many non-ferrous metals and banks also turned lower.

The bond market was slack with investors retreating due mainly to the overnight weakness of U.S. bond prices. The yield on the benchmark 7.3 per cent government bonds, maturing in December 1993, rose to 6.605 per cent from Saturday's 6.595 per cent.

There was concern over possible adverse effects of the U.S. Treasury Department's issue on the U.S. market of three-year, 10-year and 30-year government bonds worth $19.5bn early next month.

● **Reuter adds:** Japanese net buying of foreign bonds dipped to $2.22bn in March from $2.91bn in February, but net purchases in the year to March 31 were a record $30.48bn, up from the previous record of $13.69bn in 1983–84, the Japanese Finance Ministry said.

March buying fell to $9.49bn from February's $11.33bn, while selling dropped to $7.26bn from $8.42bn.

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# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

| 12 Month High | 12 Month Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 23½ | 10 | AAR | .48 | 2.9 | 13 | 226 | 17 | 16¾ | 16¾ | |
| 19¼ | 9⅜ | AGS | | | 11 | 78 | 13¾ | 13½ | 13½ | |
| 18⅛ | 9⅝ | AMCA | | | | 3 | 10⅞ | 10⅞ | 10⅞ | |
| 21½ | 13¾ | AMF | .50 | 2.0 | 55 | 839 | 19⅝ | 19⅛ | 19⅞ | −⅛ |
| 51¾ | 50 | AMF | pf4.85e | 9.8 | | 800 | 50⅝ | 50 | 50⅝ | +¾ |
| 43¼ | 24¼ | AMR | | | 9 | 0123 | 39⅝ | 39 | 39⅝ | +⅜ |
| 21⅜ | 18⅝ | AMR | pf2.19 | 10. | | 10 | 21⅛ | 21⅛ | 21⅛ | −⅛ |
| 29⅞ | 22⅞ | ANR | pf2.67 | 11. | | 3 | 24½ | 24½ | 24½ | |
| 14¼ | 9 | APL | | | 35 | 99 | 8⅛ | 8 | 8⅛ | +⅛ |
| 65½ | 44⅜ | ASA | 2 | 4.0 | | 682 | 51⅝ | 50¼ | 50⅝ | −1⅛ |
| 27 | 14⅜ | AVX | .32 | 2.2 | 12 | 142 | 15 | 14¾ | 14⅞ | |
| 24⅞ | 14½ | AZP | 2.72 | 11. | 7 | 1509 | 24½ | 24¼ | 24⅜ | |
| 34 | 36¾ | AbtLab | 1.48 | 2.7 | 13 | 2661 | 51 | 49⅝ | 51 | +1½ |
| 25⅞ | 17 | AccoWd | .44 | 1.9 | 10 | 121 | 23⅜ | 23¼ | 23¼ | |
| 22 | 12½ | AcmeC | .40 | 2.8 | | 45 | 14⅝ | 14½ | 14½ | −⅛ |
| 17⅜ | 15 | AdaEx | 1.92e | 12 | | 113 | 16⅝ | 16⅝ | 16½ | −⅛ |
| 20 | 11⅞ | AdmMl | .32 | 2.2 | 8 | 28 | 14¼ | 14 | 14¼ | +¼ |
| 19½ | 8⅝ | AdvSys | .53t | 5.0 | 15 | 262 | 9½ | 8¼ | 9½ | +¼ |
| 41⅛ | 25⅝ | AMD | | | 12 | 3560 | 28 | 27 | 27⅞ | +⅝ |
| 12¾ | 6⅞ | Advest | .12 | 1.4 | | 119 | 8¾ | 8⅝ | 8⅝ | −⅜ |
| 14⅝ | 8¾ | Aerflex | | | 11 | 22 | 12¼ | 12½ | 12⅛ | −½ |
| 43⅝ | 27¼ | AetnLf | 2.64 | 6.2 | 31 | 2568 | 42⅝ | 41⅞ | 42⅝ | −⅛ |
| 58¾ | 52⅜ | AetL | pf5.63e | 11. | | 77 | 55⅝ | 55¼ | 55⅝ | |
| 35 | 15¾ | Ahmns | 1.20 | 3.7 | 13 | 128 | 33¼ | 32½ | 32⅞ | −½ |
| 4⅛ | 2½ | Aileen | | | 21 | 68 | 2⅞ | 2¾ | 2¾ | |
| 51 | 38⅝ | AirPrd | 1.20 | 2.5 | 11 | 889 | 48¾ | 48¼ | 48¾ | +⅛ |
| 24⅜ | 13 | AirbFrt | .60 | 3.2 | 11 | 361 | 18⅝ | 18⅜ | 18½ | +¼ |
| 2 | 1 | AlMoa | s | | 21 | 48 | 1⅝ | 1½ | 1½ | |
| 32¼ | 26¾ | AlaP | pfA3.92 | 12. | | 25 | 32⅛ | 31⅞ | 32⅛ | −⅛ |
| 7½ | 6 | AlaP | dpf.87 | 12. | | 54 | 7½ | 7⅜ | 7⅜ | −½ |
| 138½ | 85¼ | AlaP | pf 11 | 11. | | z10 | 102½ | 102½ | 102½ | |
| 68½ | 57 | AlaP | pf8.16 | 11. | | z160 | u71 | 80 | 71 | +3⅛ |
| 88 | 66 | AlaP | pf9.28 | 12. | | z40 | 68 | 68 | 60 | +1½ |
| 14 | 11 | Alagsco | 1.04 | 7.4 | 8 | 36 | 14 | 13⅞ | 14 | +⅛ |
| [illegible] | | | | | | | | | | |

Continued on Page 29

# AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

| 12 Month High | 12 Month Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 7¼ | 3⅞ | ADI n | | | 21 | 93 | 3 | 4⅞ | 5 | −¼ |
| 14⅝ | 8¼ | AL Lab | .20 | 1.4 | 13 | 16 | 14⅝ | 14⅝ | 14⅝ | |
| 22⅝ | 12 | AMC n | .12 | .6 | 13 | 3 | 20¼ | 20¼ | 20¼ | −⅛ |
| 5⅞ | 2⅝ | AM Intl | | | | 93 | 4 | 3⅞ | 4 | |
| 79⅛ | 58 | ATT Fd | 5.05e | 6.4 | | 29 | 78¾ | 78¼ | 78⅝ | −⅜ |
| 14 | 8½ | AcmeU | .32 | 3.2 | 19 | 132 | 10⅛ | 10 | 10 | −⅛ |
| 18¾ | 9¾ | Acton | | | 35 | 169 | 11½ | 11⅛ | 11⅛ | +⅛ |
| 8⅛ | 8 | Acton | | | | 140 | 3⅝ | 3½ | 3¾ | +⅛ |
| 3⅝ | 1½ | AdmRs | | | 3 | 25 | 1¾ | 1¾ | 1¾ | |
| 30¾ | 17¼ | AdRusl | .14 | .5 | 31 | 14 | 29⅞ | 29⅝ | 29⅝ | |
| 24¼ | 15 | Adobe | .26 | 1.5 | 13 | 74 | 18¼ | 18⅛ | 18¼ | |
| 8⅝ | 4½ | Aerone | | | 14 | 31 | 5⅞ | 5⅞ | 5⅞ | |
| 45⅝ | 27½ | AlliPb s | .60 | 1.4 | 19 | 31 | 44⅛ | 44 | 44 | −¾ |
| 9¾ | 5¾ | AirExp | | | 24 | 22 | 6⅝ | 6½ | 6⅝ | |
| 11⅞ | 5⅞ | AirCal | | | 11 | 63 | 7⅞ | 7½ | 7½ | −¼ |
| 10⅞ | 9¾ | AirCal pf | | | | 75 | 10¾ | 10⅝ | 10¾ | |
| 4⅞ | 1⅝ | Alamco | | | 38 | 109 | 1⅝ | d | 1½ | 1½ |
| 101 | 65½ | Alpine n | | | 10 | 308 | 60 | 95 | 98 | +3 |
| 10⅝ | 6⅝ | AlbaW | | | 34 | 111 | 7⅛ | 7 | 7⅛ | −⅛ |
| 8 | 5⅝ | Aloha | | | 29 | | 6⅞ | 6¾ | 6¾ | −⅛ |
| 19 | 9½ | Alphain | .05 | .5 | 15 | 312 | 11 | 10⅞ | 11 | |
| 1 | 9-16 | Altex | | | | 151 | 1¼ | 1¼ | 1¼ | |
| 5-78 | ⅛ | Altex wt | | | | 4 | 3-16 | 3-16 | 3-16 | |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Continued on Page 30

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 28

| 12 Month High | 12 Month Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 34½ | 47 | Wrigly | 1.80a | 2.8 | 11 | 230 | 63¼ | 61¼ | 63¼ | +1⅜ |
| 6⅞ | 3½ | Wurltzr | | | | 33 | 4⅜ | 4¼ | 4⅜ | |
| 18 | 10¾ | WyleLb | .32 | 2.8 | 9 | 50 | 11¾ | 11⅝ | 11⅝ | |
| 23⅝ | 17 | Wynns | .80 | 3.3 | 7 | 119 | 18 | 17⅝ | 18 | |
| **X Y Z** | | | | | | | | | | |
| 47½ | 33¼ | Xerox | 3 | 6.6 | 18 | 4368 | 45⅞ | 44⅞ | 45½ | −¼ |
| 52¼ | 45¼ | Xerox pf | 5.45 | 10 | | 137 | 52⅛ | 52 | 52 | |
| 30 | 24 | ZaleCp | 1.32 | 5.9 | 8 | 24 | 26½ | 26¼ | 26¼ | −½ |
| 24¾ | 13⅝ | Zapata | .84 | 6.1 | 27 | 450 | 13⅞ | 13⅝ | 13¾ | −½ |
| 62¼ | 62 | Zayre | .40b | .7 | 15 | 713 | u62¾ | 61½ | 61½ | |
| 31¼ | 16⅛ | ZenithE | | | 8 | 666 | 20⅛ | 18⅞ | 20⅛ | +¼ |
| 21⅞ | 14⅝ | Zero s | .32 | 1.8 | 18 | 74 | 17⅝ | 17⅜ | 17⅜ | −⅜ |
| 31⅜ | 21⅞ | Zurmn | 1.32 | 4.5 | 11 | 224 | 29⅜ | 29 | 29⅛ | −¼ |

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-when distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

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# WORLD STOCK MARKETS

## AUSTRIA

| Apr. 30 | Price Sch% | + or — |
|---|---|---|
| Creditanstalt | 508 | +5 |
| Goesser | 480 | +4 |
| Interunfall | 764 | +2 |
| Laenderbank | 304 | +1 |
| Perlmooser | 455 | +28 |
| Steyr-Daimler | 288 | +5 |
| Veitscher Mag | 424 | +18 |

## BELGIUM/LUXEMBOURG

| Apr. 30 | Price Frs. | + or — |
|---|---|---|
| B.B.L. | 1,200 | ...... |
| Banq. Int. A. Lux | 6,150 | ...... |
| Bekaert B. | 8,720 | ...... |
| Ciment CBR | 2,370 | —30 |
| Cockerill | 281 | +2 |
| Delhaize | 7,800 | —100 |
| EBES | 3,075 | —10 |
| Electrobel | 6,500 | +80 |
| Fabrique Nat | 1,235 | —8 |
| GB Inno BM | 3,305 | +18 |
| GBL (Brux) | 1,830 | ...... |
| Gevaert | 8,800 | —20 |
| Hoboken | 8,450 | —50 |
| Intercom | 6,175 | ...... |
| Kredietbank | 8,200 | —180 |
| Pan Hldgs. | 22,200 | ...... |
| Petrofina | 8,800 | —20 |
| Royale Belge | 22,200 | ...... |
| Soc. Gen. Banq. | 8,030 | —30 |
| Soc. Gen. Belge | 2,875 | —10 |
| Sofina | 7,180 | ...... |
| Solvay | 4,200 | —40 |
| Stanwick Intl. | 1,570 | —20 |
| Traction el | 3,280 | —20 |
| UCB | 5,100 | +40 |
| Wagon Lits | 5,050 | —20 |

## DENMARK

| Apr. 30 | Price Kr% | + or — |
|---|---|---|
| Andelsbanken | 290 | —4 |
| Baltic Skand | 540 | —5 |
| CopHandelsbank | 309 | —7 |
| D. Sukkerfab. | 540 | —10 |
| Danske Bank | 301 | —7 |
| De Danske Luft | 2,185 | ...... |
| East Asiatic | 204 | —4 |
| Forenede Brygg. | 870 | ...... |
| Forenede Damp. | 131 | +2 |
| GNT Hldg | 425 | ...... |
| I.S.S.S. | 490 | ...... |
| Jyske Bank | 815 | —30 |
| Novo Ind | 1,440 | —8 |
| Privatbanken | 262 | —10 |
| Provinsbanken | 328 | —19 |
| Smidth (F) | 247 | —2 |
| Sophus Berend | 1,035 | —20 |
| Superfos | 441 | ...... |

## FRANCE

| Apr. 30 | Price Frs. | + or — |
|---|---|---|
| Emprunt 4½% 1975 | 2729 | +4 |
| Emprunt 7% 1973 | 8395 | +40 |
| Accor | 278 | —0.5 |
| Air Liquid | 815 | —1 |
| BIC | 820 | ...... |
| Bongrain | 1,878 | +39 |
| Bouygues | 894 | —1 |
| BSN Gervais | 2,488 | +45 |
| CIT-Alcatel | 2,295 | —25 |
| Carrefour | 2,130 | —17 |
| Club Mediter'n | 1,143 | ...... |
| Cie Bancaire | 641 | +7 |
| Cofimeg | 288 | —8 |
| Damart | 2,280 | +42 |
| Darty | 2,808 | +38 |
| Dumez S.A. | 611 | —9 |
| Eaux (Cie Gen) | 829 | ...... |
| Elf Aquitaine | 938.8 | +9 |
| Essilor | 8,046 | +30 |
| Gen. Occidentale | 682 | +6 |
| Imetal | 118 | +6 |
| Lafarge Coppee | 816 | —4 |
| L'Oreal | 6,402 | +9 |
| Legrand | 2,040 | +29 |
| Maisons Phenix | 208 | ...... |
| Matra S.A. | 1,865 | —30 |
| Michelin B | 935 | —1 |
| Midi (Cie) | 2,228 | +38 |
| Moet-Hennessy | 1,875 | —1 |
| Moulinex | 104 | +1 |
| Nord Est | 89 | +0.8 |
| Pernod Ricard | 705 | +1 |
| Perrier | 506 | —5 |
| Petroles Fra. | 265.8 | +1.8 |
| Peugeot S.A. | 346 | +8 |
| Printemps Au | 232 | +7 |
| Radiotech | 285.5 | —2.5 |
| Redoute | 1,370 | ...... |
| Roussel-Uclaf | 1,763 | +20 |
| Sefimeg | 350 | +1 |
| Skis Rossignol | 1,810 | —70 |
| Telemech Elect. | 2,545 | +6 |
| Thomson CSF | 644 | —6 |
| Valeo | 250 | —0.1 |

## GERMANY

| Apr. 30 | Price Dm. | + or — |
|---|---|---|
| AEG-Telef | 209 | —6 |
| Allianz Vers | 1174xr | —4 |
| BASF | 202.8 | —3.2 |
| Bayer | 213.5 | —9 |
| Bayer-Hypo | 346 | —1 |
| Bayer-Verein | 340.5 | +0.5 |
| BHF-Bank | 678 | —3 |
| BMW | 359.5 | —4 |
| Brown Boveri | 307 | —3 |
| Commerzbank | 189.2 | —0.8 |
| Cont'l. Gummi | 233 | —1.8 |
| Daimler-Benz | 675 | —4 |
| Degussa | 382.5 | —0.8 |
| D'sche Babcock | 282.8 | —0.7 |
| Deutsche Bank | 470 | —4 |
| Dresdner Bank | 222 | —0.5 |
| GHH | 153 | —1 |
| Hochtief | 478 | +3 |
| Hoechst | 922.7 | —9.3 |
| Hoesch Werke | 207.7 | —2.1 |
| Holzmann (P) | 434 | +2 |
| Horten | 270 | ...... |
| Hussel | 291.5 | ...... |
| Karstadt | 696 | —1.5 |
| Kaufhof | 928.5 | —0.5 |
| KHD | 658xr | —2.8 |
| Kloeckner | 71.5 | —0.1 |
| Linde | 425.8 | —1.8 |
| Lufthansa | 284 | —1.8 |
| MAN | 153.1 | 2.4 |
| Mannesmann | 159 | —2 |
| Mercedes Hld. | 899 | —8.5 |
| Metallgesel | 580 | —8.8 |
| Munech Rueck. | 1,880 | +10 |
| Nixdorf | 881.1 | —2.4 |
| Porsche | 1188xd | —2 |
| Preussag | 270 | —1 |
| Rhein West Elect | 156.8 | ...... |
| Rosenthal | 257 | +4 |
| Schering | 445 | —6 |
| Siemens | 558.4xd | —8.8 |
| Thyssen | 26 | —1 |
| Varta | 178.8 | —8.5 |
| Veba | 289 | —1 |
| V.E.W. | 127 | —0.8 |
| Verein-West | 310 | ...... |
| Volkswagen | 206.8 | +2 |

## ITALY

| Apr. 30 | Price Lira | + or — |
|---|---|---|
| Banco Com'le | 26,910 | +100 |
| Bastogi-IRBS | 195 | +4 |
| B.I.-invest | 3,460 | —20 |
| Centrale | 8,195 | +25 |
| Credito Varesino | 3,908 | —35 |
| Fiat | 9,996 | +28 |
| Finsider | 62 | +4 |
| Generali Assicur. | 44,500 | +100 |
| Italcementi | 86,500 | +1,700 |
| La Rinascente | 668.5 | —2 |
| Montedison | 1,828 | +43 |
| Olivetti | 8,270 | —28 |
| Pirelli Co. | 8,810 | —20 |
| Pirelli Spa | 2,268 | +33 |
| Snia BPD | 2,810 | +20 |
| Toro Assic. | 14,300 | +90 |
| do Pref | 20,400 | +50 |

## NETHERLANDS

| Apr. 29 | Price Fls | + or — |
|---|---|---|
| ACF Holding | 203 | —1 |
| AEGON | 180 | ...... |
| Ahold | 228.5 | —1 |
| AKZO | 112.8 | —0.4 |
| ABN | 422.5 | —3 |
| AMEV | 240 | +3 |
| AMRO | 74.6 | —2.2 |
| Bredero Cert | 177 | +7 |
| Bos Kalis Westm. | 17.9 | +0.8 |
| Buehrmann Tet. | 91 | +0.8 |
| Calland Hldgs. | 38.1 | +0.1 |
| Dordtsche Pet'm | 188 | —2 |
| Elsevier NDU | 118 | —1.5 |
| Fokker | 115 | +3 |
| Gist Brocades | 266.5 | +0.5 |
| Heineken | 153.4 | —2.9 |
| Hoogovens | 60.7 | +0.4 |
| Int Mueller | 62 | +0.2 |
| KLM | 69.8 | —0.2 |
| Naarden | 53 | +0.3 |
| Nat Ned Cert | 68.5 | +0.7 |
| Ned M'd Bank | 171 | ...... |
| Nedlloyd | 176 | —1 |
| Oce Grinten | 324.8 | —0.2 |
| Ommoren (Van) | 29.9 | +0.1 |
| Pakhoed | 66.6 | +0.1 |
| Philips | 58.9 | —0.4 |
| Robeco | 73 | —0.6 |
| Rodamco | 138.4 | —0.6 |
| Rolinco | 68.1 | —0.5 |
| Rorento | 44.6 | —0.3 |
| Royal Dutch | 208.5 | —1.5 |
| Unilever | 349.7 | —1.8 |
| VMF Stork | 159.8 | —0.2 |
| VNU | 216.5 | —1.5 |
| West Utr Bank | 102.6 | —0.8 |

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

## NORWAY

| Apr. 30 | Price Kroner | + or — |
|---|---|---|
| Bergens Bank | 248 | +2.5 |
| Borregaard | 383 | —7 |
| Christiania Bank | 141 | —1 |
| DenNorske Cred | 150 | —0.5 |
| Elkem | 139.6 | —2.5 |
| Kvaerner | 171 | +1 |
| Norsk Data | 400 | ...... |
| Norsk Hydro | 116 | —1 |
| Storebrand | 657 | —1 |

## SPAIN

| Apr. 30 | Price Pts% | + or — |
|---|---|---|
| Bco Bilbao | 838 | ...... |
| Bco Central | 890 | +2 |
| Bco Exterior | 600 | ...... |
| Bco Hispano | 364 | ...... |
| Bco Popular | 358 | +8 |
| Bco Santander | 853 | +3 |
| Dragados | 170 | —1 |
| Hidrola | 82 | +1 |
| Iberduero | 94 | +0.8 |
| Petroliber | 157.2 | +4.7 |
| Telefonica | 112 | —1 |

## SWEDEN

| Apr. 30 | Price Kronor | + or — |
|---|---|---|
| AGA | 420 | ...... |
| Alfa-Laval | 127 | +1 |
| ASEA (Free) | 338 | ...... |
| Astra (Free) | 420 | +22 |
| Atlas Copco | 136 | —2 |
| Cardo (Free) | 657 | ...... |
| Cellulosa | 268 | —1 |
| Electrolux B | 315 | —4 |
| Ericsson | 283 | —7 |
| Esselte | 365 | ...... |
| Mo och Domsjo | 647 | +2 |
| Pharmacia | 102 | —8 |
| Saab Scania Free | 455 | ...... |
| Sandvik | 400 | ...... |
| Skandia | 339 | —4 |
| Skan Enskilda | 47.5 | —0.6 |
| SKF | 221 | —2 |
| St Kopparberg | 183 | +6 |
| Sven Handlesbn | 182 | ...... |
| Swedish Match | 215 | —9 |
| Volvo B (Free) | 285 | —8 |

## SWITZERLAND

| Apr. 30 | Price Frs. | + or — |
|---|---|---|
| Alusuisse | 830 | +5 |
| Bank Leu | 3,590 | +15 |
| Brown Boveri | 1,830 | —10 |
| Ciba Geigy | 3,028 | —50 |
| do. (Part Certs) | 2,360 | —20 |
| Credit Suisse | 2,480 | —10 |
| Elektrowatt | 2,845 | +35 |
| Fischer Geo. | 760 | ...... |
| Hoff-Roche PtCts | 83,750 | —250 |
| Hoff-Roche 1/10 | 8,375 | —50 |
| Jacobs Suchard | 6,380 | +50 |
| Jelmoli | 1,980 | ...... |
| Landis & Gyr | 1,645 | —5 |
| Nestle | 6,550 | ...... |
| Oer-Buehrle | 1,485 | +20 |
| Pirelli | 303 | ...... |
| Sandoz (Br) | 7,800 | —50 |
| Sandoz (PtCts) | 1,385 | —5 |
| Schindler (Pt Cts) | 765 | ...... |
| Sika | 2,140 | ...... |
| Surveillance | 4,250 | +10 |
| Swissair | 1,050 | ...... |
| Swiss Bank | 382 | —4 |
| Swiss Reinsce | 10,750 | ...... |
| Swiss Volksbk | 2,470 | —10 |
| Union Bank | 3,695 | —15 |
| Winterthur | 4,000 | ...... |
| Zurich Ins. | 28,100 | +600 |

## AUSTRALIA

| Apr. 30 | Price Aust $. | + or — |
|---|---|---|
| ANZ Group | 4.7 | —0.04 |
| Alliance Oil Dev | 1.07 | ...... |
| Ampol Pet | 1.82 | +0.02 |
| Ashton | 0.8 | —0.01 |
| Aust. Cons. Ind. | 2.1 | +0.01 |
| Aust. Guarantee | 2.45 | +0.05 |
| Aust. Nat. Inds | 2.75 | +0.05 |
| APM | 2.65 | +0.05 |
| Bell Group | 7 | ...... |
| Bell Res. | 7.2 | —0.1 |
| Bond Corp Hldgs | 1.59 | —0.01 |
| Boral | 3.24 | +0.06 |
| Bougainville | 2.22 | +0.02 |
| Brambles Inds | 3.8 | +0.02 |
| Bridge Oil | 2.58 | +0.03 |
| B.H. Prop | 6.96xa | +0.24 |
| CRA | 6.62 | +0.02 |
| CSR | 3.01 | +0.02 |
| Castlemaine Tys. | 5.0 | —0.04 |
| Coles (G.J.) | 3.8 | +0.01 |
| Comalco "A" | 2.35 | +0.05 |
| Consolidated Pet | 0.43 | ...... |
| Costain Aust. | 1.75 | ...... |
| Dunlop Olympic | 2.12 | —0.03 |
| Elders IXL | 3.07 | —0.08 |
| Energ Res | 1.5 | +0.07 |

## AUSTRALIA (continued)

| Apr. 30 | Price Aust.$ | + or — |
|---|---|---|
| Gen. Prop. Trust | 6.23 | —0.02 |
| Hardie (James) | 5.28 | +0.06 |
| Hartogen Energy | 5.39 | +0.02 |
| Herald W'ytimes | 4.4 | ...... |
| ICI Aust | 2.05 | +0.01 |
| Jimberlana F.P. | 0.37 | ...... |
| Kia Ora Gold | 0.17 | ...... |
| Lend Lease | 6.44 | +0.02 |
| MIM | 3.48 | +0.19 |
| Mayne Nickless | 3.8 | ...... |
| Myer Emporium | 2.78 | ...... |
| Nat. Aust. Bank | 3.8 | —0.06 |
| News | 7.5xc | +0.1 |
| Nicholas Kiwi | 1.95 | +0.1 |
| North Bkn Hill | 2.7 | +0.06 |
| Oakbridge | 0.27 | —0.21 |
| Pancont'l | 2.7 | +0.02 |
| Pioneer Conc | 1.8 | —0.02 |
| Poseidon | 4.55 | ...... |
| Queensland Coal | 3.81 | —0.02 |
| Reckitt & Coln | 3.45 | —0.05 |
| Repco | 2.68 | +0.05 |
| Santos | 6.1 | +0.04 |
| Smith (Howard) | 4.6 | ...... |
| Thos. Nationwide | 1.95 | ...... |
| Tooth | 5.8 | ...... |
| Vamgas | 4.35 | —0.1 |
| Western Mining | 4.98 | —0.14 |
| Westpac Bank | 3.84 | —0.02 |
| Woodside Petrol | 1.52 | ...... |
| Woolworths | 3.08 | —0.03 |
| Wormald Intl | 5.88 | +0.01 |

## HONG KONG

| Apr. 30 | Price H.K.$ | + or — |
|---|---|---|
| Bank East Asia | 24.4 | +0.2 |
| Cheung Kong | 28.5 | +0.4 |
| China Light | 14.8 | +0.2 |
| Evergo | 0.98 | +0.02 |
| Hang Seng Bank | 45.8 | ...... |
| HK Electric | 7.7 | +0.05 |
| HK Kowloon Wh. | 8.35 | +0.2 |
| HK Land | 8.7 | +0.2 |
| HK Shanghai BK. | 7.9xa | ...... |
| HK Telephone | 80 | +3 |
| Hutchinson Wpa | 93 | +0.3 |
| Jardine Math | 19 | +0.3 |
| New World Dev. | 8.8 | +0.08 |
| Orient O'seas | 0.17 | —0.05 |
| Oseas Trust Bk | 3.25 | ...... |
| SHK Props | 11.2 | +0.8 |
| Shell Elect. | 2.48 | —0.05 |
| Swire Pac A | 94 | +0.6 |
| TV—B | 8.25 | —0.05 |
| Wheel'k Mard A. | 7.68 | ...... |
| Wheel'k M'time | 2.10 | ...... |
| World Int. Hldns. | 2.17 | +0.07 |

## JAPAN

| Apr. 30 | Price Yen | + or — |
|---|---|---|
| Ajinomoto | 1,080 | +10 |
| Alps Electric | 1,840 | —20 |
| Amada | 1,090 | —30 |
| Asahi Chem | 878 | —22 |
| Asahi Glass | 899 | +2 |
| Bridgestone | 518 | —10 |
| Canon | 1,830 | +10 |
| Casio Comp | 1,730 | +80 |
| Chugai Pharm | 1,050 | —40 |
| Citizen | 830 | —7 |
| Daiei | 893 | +4 |
| Dai Nippon Ptg | 1,000 | —10 |
| Daiwa House | 580 | +13 |
| Ebara | 445 | +8 |
| Eisai | 1,520 | +50 |
| Fanuc | 3150xr | —150 |
| Fuji Bank | 1,500 | ...... |
| Fuji Film | 2,820 | +30 |
| Fujisawa | 299 | +1 |
| Fujitsu | 1,900 | —10 |
| Green Cross | 2,860 | —190 |
| Hasegawa | 390 | —3 |
| Heiwa Real Est. | 786 | +8 |
| Hitachi | 798 | ...... |
| Hitachi Credit | 1,090 | —10 |
| Honda | 1,360 | —10 |
| House Food | 700 | ...... |
| Hoya | 2,220 | +50 |
| Itoh (C) | 350 | —2 |
| Ito Yokado | 2,820 | —10 |
| Iwatsu | 1,000 | —10 |
| JACCS | 519 | —1 |
| JAL | 6,640 | +030 |
| Jusco | 740 | +6 |
| Kajima | 824 | +6 |
| Kao Soap | 788 | —2 |
| Kashiyama | 641 | —0 |
| Kirin | 647 | —8 |
| Kokuyo | 200 | ...... |
| Komatsu | 441 | +1 |
| Konishiroku | 676 | —0 |
| Kubota | 337 | ...... |
| Kumagai | 604 | +15 |
| Kyoto Ceramic | 5,360 | ...... |
| Maeda Const | 544 | +17 |
| Makino Milling | 1,250 | ...... |
| Makita | 990 | —7 |
| Marubeni | 302 | ...... |
| Marudai | 564 | +2 |
| Marui | 1,130 | ...... |
| MEI | 1,490 | ...... |
| M'ta Elec Works | 728 | —2 |
| M'bishi Bank | 1,480 | —20 |
| M'bishi | 525 | +2 |
| M'bishi Elect | 394 | —1 |
| M'bshi Estate | 617 | —12 |

## JAPAN (continued)

| Apr. 30 | Price Yen | + or — |
|---|---|---|
| MHI | 262 | —4 |
| Mitsui | 353 | +1 |
| Mitsui Estate | 648xc | —2 |
| Mitsukoshi | 528 | +12 |
| NGK Insulators | 880xe | +8 |
| Nihon Cement | 288 | —5 |
| Nippon Denso | 1,360 | ...... |
| Nippon Elect | 1,080 | —20 |
| Nippon Express | 358 | —4 |
| Nippon Gakki | 1,770 | +60 |
| Nippon Kokan | 184 | ...... |
| Nippon Oil | 875xe | +25 |
| Nippon Seiko | 625 | —8 |
| Nippon Shimpan | 580 | —2 |
| Nippon Steel | 146 | ...... |
| Nippon Suisan | 337 | +2 |
| NTV | 3,750xc | +280 |
| Nippon Yusen | 235xe | ...... |
| Nissan Motor | 536 | —8 |
| Nisshin Flour | 505 | +5 |
| Nisshin Steel | 164 | +4 |
| Nomura | 1,070 | —50 |
| Olympus | 1,180 | —10 |
| Orient Leasing | 2,800 | —220 |
| Pioneer | 3,470 | —20 |
| Renown | 655 | ...... |
| Ricoh | 941 | —11 |
| Sankyo | 1,140 | —10 |
| Sanyo Elect | 452 | —8 |
| Sapporo | 470 | —6 |
| Sekisui Prefab | 890 | +7 |
| Seven Eleven | 9,300 | ...... |
| Sharp | 1,000 | +7 |
| Shimadzu | 779xc | +40 |
| Shionogi | 722xc | —5 |
| Shiseido | 1,180 | —10 |
| Sony | 4,370 | —50 |
| Stanley | 932 | +95 |
| S'tomo Bank | 1,640 | —40 |
| S'tomo Elect | 880 | —5 |
| S'tomo Marine | 599 | —9 |
| S'tomo Metal | 145 | ...... |
| Taihei Dengyo | 478 | —2 |
| Taisei Corp. | 232 | +2 |
| Taisho Pharm | 1,180 | —60 |
| Takeda | 875 | +9 |
| TDK | 5,640 | —40 |
| Teijin | 434 | —5 |
| Teikoku | 230 | +35 |
| Tokyo Marine | 811 | —10 |
| TBS | 770 | +5 |
| Tokyo Elect Pwr | 1,700 | +10 |
| Tokyo Gas | 121 | +8 |
| Tokyo Sanyo | 889 | —90 |
| Tokyo Style | 752 | +1 |
| Tokyu Corp | 362 | +5 |
| Toppan Print | 830 | —6 |
| Toray | 458 | —5 |
| Toshiba Elect | 388 | —3 |
| TOTO | 852 | +2 |
| Toyo Seikan | 851 | +8 |
| Toyota Motor | 1,810 | —70 |
| Victor | 1,980 | —10 |
| Wacoal | 695 | —5 |
| Yamaha | 772 | +1 |
| Yamanouchi | 3,160 | —30 |
| Yamazaki | 831 | +2 |
| Yasuda Fire | 458 | —1 |
| Yokogawa Bdge. | 431 | —7 |

## SINGAPORE

| Apr. 30 | Price $ | + or — |
|---|---|---|
| Boustead Hldgs. | 1.81 | —0.06 |
| Cold Storage | 2.54 | —0.02 |
| DBS | 5.9 | ...... |
| Genting | 5.75 | ...... |
| Haw Par. Bros. | 2.13 | —0.06 |
| Hong Leong Fin | 2.2 | ...... |
| Inchcape Bhd. | 2.45 | —0.01 |
| Keppel Shipyard | 1.54 | +0.02 |
| Malay Banking | 5.8 | —0.05 |
| Malay Utd. Ind | 2.35 | —0.02 |
| Multi Purpose | 0.2 | ...... |
| OCBC | 8.9 | —0.05 |
| OUB | 3.56 | —0.04 |
| Public Bank | 1.48 | ...... |
| Sime Darby | 1.94 | +0.03 |
| Singapore Press | 8.15 | —0.05 |
| Straits Trdg. | 4.48 | —0.04 |
| Tat Lee Bk | 2.73 | +0.02 |
| UOB | 4.34 | ...... |

## SOUTH AFRICA

| Apr. 30 | Price Rand | + or — |
|---|---|---|
| Abercom | 1.5 | ...... |
| AE&CI | 8.00 | ...... |
| Allied Tech | 60.0 | ...... |
| Anglo Am Coal | 42 | +0.1 |
| Anglo Am Corp | 26.35 | +0.1 |
| Anglo Am Gold | 176 | ...... |
| Barclays Bank | 16 | +0.4 |
| Barlow Rand | 11.25 | ...... |
| Buffels | 86 | ...... |
| CNA Gallo | 2.7 | ...... |
| Currie Finance | 4.00 | ...... |
| De Beers | 10.32 | +0.07 |
| Driefontein | 52.25 | —0.25 |
| FS Geduld | 55.5 | —0.5 |
| Gold Fields SA | 34 | ...... |
| Highveld Steel | 3.85 | ...... |
| Nedbank | 11.0 | +0.2 |
| OK Bazaars | 14.5 | ...... |
| Protea Hldgs. | 1.55 | +0.05 |
| Rembrandt | 35.75 | —0.25 |
| Rust Plat | 17.1 | +0.1 |
| Safren | 15.86 | ...... |
| Sage Hldgs | 8.85 | ...... |
| SA Brews | 7.55 | ...... |
| Smith (AG) | 93.5 | ...... |
| Tongaat Hulet. | 7.1 | +0.2 |
| Unisec | 6.4 | ...... |

## LONDON

**Chief price changes**
(In pence unless otherwise indicated)

**RISES**

| | | |
|---|---|---|
| Argyle Trust | 28 | + 3 |
| British H Stores | 284 | + 5 |
| Burmah Oil | 228 | +13 |
| Carpets Int'l | 71 | + 4 |
| Clayton, Son | 112 | + 9 |
| Equity & Law | 253 | +18 |
| Evode | 136 | +10 |
| Grosvenor | 155 | +15 |
| Heath (CE) | 567 | + 9 |
| Ingall Inds | 108 | +20 |
| Jacks (Wm) | 30 | + 3 |
| Jebsens Drill | 127 | +15 |
| Marling Inds | 106 | +13 |
| Minet Hldgs | 244 | + 8 |
| Oliver Prosp | 62 | +15 |
| Owen Owen | 228 | +38 |
| Raybeck | 28 | + 3 |
| Redland | 283 | + 5 |
| Ropner | 185 | +17 |
| SGB Group | 178 | +10 |
| Sainsbury (J) | 336 | + 6 |
| Steward Wright | 590 | +18 |
| Stock Convers | 505 | +10 |
| TSL Thermal | 301 | +16 |
| Tarmac | 548 | +16 |
| Unigroup | 40 | +13 |
| Vaal Reefs | £77 | + 1 |

**FALLS**

| | | |
|---|---|---|
| BAT Inds | 313 | —15 |
| Foseco Minsep | 230 | —10 |

## OVER-THE-COUNTER

*Nasdaq national market, 2.30pm prices*

| Stock | Sales (Hnds) | High | Low | Last | Chng |
|---|---|---|---|---|---|
| [illegible] | | | | | |

Continued on Page 38

## CANADA

**TORONTO**
*Prices at 2.30pm April 30*

| Sales | Stock | High | Low | Close | Chng |
|---|---|---|---|---|---|
| 7800 | Czar Res | 195 | 185 | 195 | —2 |
| 9433 | Daon Dev | 440 | 435 | 435 | |
| 14380 | Denison A p | 515½ | 13¼ | 13½ | +¼ |
| 1150 | LL Lac | 540 | 391₄ | 391₂ | —2 |
| 7900 | Loblaw Co | $18 | 17⅝ | 18 | +⅜ |
| 500 | MDS H A | $17½ | 17½ | 17½ | |
| 400 | Teck Cor | $13¼ | 13⅛ | 13⅛ | —⅛ |
| 2775 | Teck B f | $13½ | 13⅜ | 13½ | —⅛ |
| 6391 | Tex Can | $36¼ | 36 | 36½ | —¼ |
| 15300 | Thom N A | $55¼ | 55 | 56 | |
| [illegible] | | | | | |

Total sales 5,754,407 shares

**MONTREAL**
*Closing prices April 29*

| Sales | Stock | High | Low | Close | Chng |
|---|---|---|---|---|---|
| [illegible] | | | | | |

Total sales 1,661,489 shares

# AMERICAN STOCK EXCHANGE CLOSING PRICES

| 12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | | | |

Continued from Page 29

## MARKET REPORT

# Selective institutional demand and CBI survey brings firm close in equity leaders

**Account Dealing Dates**

**Option**

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Apr 15 | Apr 25 | Apr 26 | May 7 |
| Apr 29 | May 9 | May 10 | May 20 |
| May 13 | May 30 | May 31 | June 10 |

* "New-time" dealings may take place from 9.30 am two business days earlier.

Initial unease over Wall Street's worst performance of the year showed through clearly when leading shares opened the session in London yesterday. A whole range of blue chip issues suffered from a marking down as dealers took the view that sellers would most likely dominate in markets additionally influenced by another strong showing by sterling.

In the event, pressure was relatively light and the sales, usually from private investment clients, were readily absorbed. Institutional operators then began to take the initiative and their selective purchases gradually dispersed the mood of uncertainty. Although volume overall was relatively moderate, the tone continued to improve helped by first reports of the latest Confederation of British Industry survey.

This was optimistic about UK economic trends and spoke encouragingly of a good first-quarter by manufacturing industry. Announcements of important U.S. data—leading economic indicators there fell 0.2 per cent against forecasts of a 0.7 per cent rise—made little impression on sentiment. After the official 3.30 pm close, leading industrials moved significantly higher and the FT Ordinary share index, after opening 3.6 down, closed a net 2.9 up on the day at 971.4.

Speculative activity broadened in a growing number of takeover targets with Thorn EMI buoyant on persistent talk of an approach from America's RCA. Of the sectors, Stores had a brace of rumoured candidates, while Insurance Brokers were given a major fillip by the merger discussions between Hogg Robinson and C. E. Heath.

Government securities furthered their advance in the early business. The authorities were called upon to supply stock, and sold part of the £250m tranche of Exchequer 10½ per cent 1995 at 96¾, remaining a seller at that price. Demand afterwards faded and dealers ran into profit-taking behind an unexpected late recovery in the dollar. Gilt-edged gains were finally reduced to minimal proportions as sterling reacted from a day's high of $1.25 to a close of $1.2425.

### C E Heath better

Attention in Insurances focussed on Lloyds Brokers following the overnight news concerning C. E. Heath and Hogg Robinson. The latter strongly supported the previous day on hopes of an outright bid, drifted off to finish a couple of pence easier on the day at 293p, but Heath improved to 571p before closing 9 better on balance at 567p. Other stocks were fancied on hopes of further rationalisation moves within the sector. Stewart Wrightson advanced 18 to 390p and Willis Faber gained 15 to 640p, while Minet rose 6 to 244p. Elsewhere, Life issues moved forward on revived hopes that the Government will abolish the State earnings-related pension scheme; sentiment was also aided by publicity given to a broker's circular. Equity and Law were outstanding at 253p, up 16, while Legal and General rose 19 to 692p and London and Manchester 15 to 712p. Britannic gained 12 at 727p and Sun Life 9 at 834p.

After Monday's highly successful debut in the Unlisted Securities Market, public relations and marketing group Moorgate attracted fresh support and rose 5 to 150p, compared with the placing price of 120p.

Secondary issues provided the major movements in Breweries. Mansfield advanced 30 to 425p following revived demand in a thin market, while Youngs added 8 at 208p. Higsons, at 156p, lost 10 of its recent good rise on profit-taking.

A selectively firm Building sector featured Tarmac, up 16 at 548p, following better-than-expected annual results and a 100 per cent scrip issue. Redland were also noteworthy at 283p, up 5, but RMC slipped 4 to 352p on lack of interest. French Kier added 2 more to 129p in further response to the good annual figures, while SGB revived strongly on talk of a possible U.S. bid and gained 10 to 122p. Profit-taking clipped a couple of pence from Barratt Developments at 88p, while disappointing preliminary profits left Roberts Adlard 6 down at 99p.

ICI opened around 15 lower in the wake of U.S. selling overnight and subsequently moved narrowly prior to settling a net 10 down on balance at 730p.

### Owen Owen jump

Owen Owen emerged as an outstanding feature among secondary Stores, rising 38 to a 1985 peak of 228p following persistent speculative demand in a thin market on takeover gossip and asset value considerations. Dixons returned to prominence with a rise of 22 at 684p, while Dunhill rose 18 to 378p as buyers showed increased interest ahead of the preliminary results scheduled for May 28. Allebone gained 3 to 56p on the impressive results. Raybeck added a similar amount to 28p; the property revaluation details counteracted the poor annual figures. Selincourt hardened ¼ more to 33p awaiting further developments in the Sterngard bid situation; the latter moved up 4 afresh to 38p. John Menzies, on the other hand, relinquished 5 to 282p, after 273p, following comment on the results. Among the leaders, recent high-flier Debenhams succumbed to profit-taking in the absence of the widely-rumoured bid from Burton and slipped to 274p before rallying late to finish at the overnight level of 279p; Burton softened a penny to 459p. British Home gained 5 to 284p ahead of next Tuesday's annual figures.

Apart from a flurry of speculative activity in Thorn EMI, up 28 at 445p, amid talk of a possible overseas bid for the group, leading Electricals displayed little alteration. Elsewhere, Grosvenor Group were also the subject of speculative demand and closed 15 higher at 155p. Muirhead, still reflecting hopes of an increased offer from RHP, improved 6 further to 196p.

Leading Engineers showed little alteration after another quiet trading session. Occasional movements in secondary issues included Birmid, up 3½ at 90½p, on bid hopes, and Stothert and Pitt, 6 higher at 148p for a similar reason. Renewed support left Clayton and Son 9 dearer at 112p, while Wadkin, up 4 at 127p, staged a small rally after the previous day's setback on sharply lower annual profits. Planet Group were temporarily suspended at 88p; it was announced later that the company had received a bid approach.

Leading Foods displayed few significant movements, but J. Sainsbury were supported and rose 6 to 336p; the annual results are expected around the middle of this month. Recently oversold Argyll revived strongly at 292p, up 7, while Cullens moved up 10 to 142p. Old takeover favourite Bassett firmed 4 to 182p, while USM-quoted Slaters Foods gained 5 to 62p.

### Ropner good

Leading miscellaneous industrials fluctuated narrowly before settling a shade easier for choice. Elsewhere, Ropner issues were prominent on bumper preliminary figures, the Ordinary advancing to 192p before settling 17 to the good at 185p and the A shares closing 15 higher at 183p, after 190p. A flurry of buying developed in Unigroup, up 13 at 40p, after 45p, on news that Mr I. Goodman and Mr M. Miller had joined the board after acquiring a 12.89 per cent stake in the company. Ingall Industries jumped 20 to 108p in response to the agreed counter-bid of 105p per share from House of Fraser. Takeover favourites to make headway included Marling Industries, 13 to the good at 106p, Evode, 10 higher at 136p, and Redfearn Glass, 13 dearer at 95p. Still reflecting Press mention, F. H. Tomkins put on 6 further to 181p, while revived demand left TSL Thermal Syndicate 16 higher at 301p. Satisfactory preliminary figures prompted a rise of 6 to 179p in PSM, but Foseco, scheduled to report annual results today, met with nervous selling and closed 10 down at 230p.

Among Leisure issues, Insight gained 6 to 108p in the wake of the successful convertible preference tender offer. Nimslo International added 3 more at 39p awaiting today's annual results.

Leading Properties made an irregular showing. Land Securities and MEPC both gave up 3, to the common price of 297p, but Slough Estates attracted buyers following comment in the Financial Times and added that much at 135p. Stock Conversion continued to reflect takeover hopes and rose 10 more to 505p, but London and Edinburgh shed 6 to 272p on the rights issue proposal. Speculative interest lifted Control Securities 3½ to 42p, after 43p, and Five Oaks 1½ to 35p. Rosehaugh rose ½ to £10¼ in a restricted market, but Rush and Tompkins, after touching 250p following the annual results, eased back on profit-taking to close a couple of pence cheaper on balance at 244p.

Carpets International advanced 4 more for a two-day gain of 8½ to 71p, after 72p, amid further talk of a possible 90p per share reverse bid from American concern, Interface Flooring Systems Inc. Elsewhere in Textiles, Tomkinsons added 10 at 140p and Illingworth Morris continued firmly at 86p, up 4.

Reports that an influential U.S. broking house had changed its view on Bats from a "buy" to a "hold" depressed the shares which fell late to close 15 down at a 1985 low of 313p.

Argyle Trust featured Financials, rising 3 to 28p, after 30p, on news of the sale of the rump of its property portfolio for £5.6m.

### Burmah advance

Burmah highlighted oils, advancing late in the session to close 13 firmer at 228p amid persistent talk of an imminent bid. The sector leaders, on the other hand, were relatively subdued. BP lost ground early on, unsettled by the overnight fall on Wall Street, but picked up after-hours to close little changed on balance at 555p. Among second-liners, Sun (UK) Royalty advanced strongly late on rumours of a North Sea oil find and settled 15 higher at 140p. Speculative buying boosted Jebsens Drilling a like amount to 128p. Ireland's Oliver Prospecting attracted renewed support and jumped 15 to 62p; the new nil-paid shares rose 10 to 18p premium.

### Vaal Reefs rally

Fluctuations in foreign exchange markets remained the overriding factor in mining markets. Bullion edged up to $325 in New York overnight and traded just below that figure at the outset of London trading, reflecting the initial weakness of the dollar ahead of the latest U.S. economic data. Publication of the latter, however, brought about a rally in the U.S. currency and bullion subsequently fell below $320 at one point before settling a net $2.5 easier at $321 an ounce. Gold share prices similarly proved sensitive to movements in currencies and bullion. Dollar quotations drifted easier throughout the day on general lack of interest while sterling prices showed more pronounced falls, reflecting the strength of the pound for much of the day. The Gold Mines index, calculated in sterling prices, posted a further 7.3 decline to 501.3, making a two-day fall of 19.9.

Vaal Reefs were the outstanding performer among the leading heavyweights, the shares rallying sharply to close a point firmer at £77, reflecting bear closing and "cheap" buying after the heavy fall which accompanied the sacking of black miners over the weekend. Hartebeest, on the other hand remained vulnerable and dipped 11 more to 473p.

South African Financials gave ground along with Golds. Anglo American Corporation dipped ½ to £10⅞ following the bomb attack on the company's headquarters in Johannesburg overnight. UK issues were quietly mixed. Consolidated Gold Fields edged up to close 3 firmer at 545p but Hampton Areas eased 5 to 205p and Rio Tinto-Zinc fell 3 to 625p.

Australians were a disappointing market. Strong gains in overnight Sydney and Melbourne failed to follow through into London where the weakness of the Australian dollar against sterling coupled with poor third-quarter results from MIM saw the leaders lose ground for much of the session prior to a minor rally late in the day.

## FINANCIAL TIMES STOCK INDICES

| | Apr. 30 | Apr. 29 | Apr. 26 | Apr. 25 | Apr. 24 | Apr. 23 | year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 81.92 | 81.30 | 81.12 | 81.28 | 81.40 | 81.75 | 81.66 |
| Fixed Interest | 86.60 | 85.58 | 85.67 | 86.92 | 86.11 | 86.17 | 86.83 |
| Ordinary | 971.4 | 968.5 | 970.9 | 966.6 | 968.5 | 959.3 | 815.6 |
| Gold Mines | 501.3 | 508.6 | 521.2 | 513.1 | 509.3 | 507.3 | 672.2 |
| Ord. Div. Yield | 4.68 | 4.69 | 4.68 | 4.71 | 4.71 | 4.74 | 4.24 |
| Earnings, Yld.% (full) | 11.78 | 11.79 | 11.75 | 11.83 | 11.86 | 11.96 | 9.79 |
| P/E Ratio (net) (*) | 10.34 | 10.34 | 10.37 | 10.50 | 10.27 | 10.12 | 12.33 |
| Total bargains (Est.) | 24,085 | 25,273 | 25,789 | 23,570 | 24,085 | 28,353 | 20,001 |
| Equity turnover £m. | — | 306.70 | 568.69 | 444.05 | 429.07 | 547.45 | 302.48 |
| Equity bargains | — | 21,279 | 26,314 | 23,428 | 18,306 | 22,720 | 20,714 |
| Shares traded (ml) | — | 171.7 | 271.2 | 228.3 | 190.3 | 121.2 | 157.8 |

10 am 964.9. 11 am 968.7. Noon 968.5. 1 pm 969.4.
2 pm 968.9. 3 pm 969.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.03.

### HIGHS AND LOWS

| — | 1985 High | 1985 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 82.00 (18/4) | 78.02 (28/1) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 86.19 (22/4) | 89.17 (28/1) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ordinary | 1024.5 (22/1) | 928.7 (3/1) | 1024.5 (22/1/85) | 49.4 (26/6/40) |
| Gold Mines | 556.9 (15/4) | 439.5 (25/1) | 734.7 (15/2/83) | 43.5 (26/10/71) |

### S.E. ACTIVITY INDICES

| | Apr. 29 | Apr. 26 |
|---|---|---|
| Daily | | |
| Gilt Edged Bargains | 12.57 | 184.8 |
| Equities Bargains | 148.4 | 179.4 |
| Value | 584.0 | 1,149.3 |
| 5-day Average | | |
| Gilt Edged Bargains | 131.9 | 159.1 |
| Equities Bargains | 147.8 | 145.7 |
| Value | 846.1 | 814.3 |

## NEW HIGHS AND LOWS FOR 1985

### NEW HIGHS (64)

LOANS (1)
BANKS (1)
BREWERS (1)
BUILDINGS (3)
DRAPERY & STORES (8)
ELECTRICALS (2)
ENGINEERING (6)
FOODS (3)
INDUSTRIALS (15)
INSURANCE (3)
LEISURE (1)
MOTORS (3)
PAPER (1)
PROPERTY (7)
TEXTILES (6)
TRUSTS (2)
OILS (1)

### NEW LOWS (40)

AMERICANS (9)
Alcoa; Fin. Corp. of America; Amdahl; Inalco; Brunswick Corp.; IU Internatl.; CPC Internatl.; Pall Corp.; Campbell Soup

BANKS (1)
Hill Samuel

BUILDINGS (3)
Phoenix Timber; Trent Hldgs.; Roberts Adlard

ELECTRICALS (9)
A. & G. Sec. Elect.; Powerline Internatl.; CPS Computer; SCUSA Inc.; Mellerware Intl.; Sarasota Technology; Mitel Corp.; Tunstall Telecom; Motorola

ENGINEERING (1)
Ash & Lacy

INDUSTRIALS (4)
Casaro Inds.; Elswick-Hopper; Eastern Produce; Streetley

LEISURE (1)
Scottish TV A

NEWSPAPERS (1)
United Newspapers

PAPER (1)
Saatchi & Saatchi

TOBACCOS (1)
BAT Inds.

TRUSTS (3)
Govmore Int. Fin.; Berkeley Technology; 1928 Inv.

OILS (2)
Monarch Petroleum; Silkolene

PLANTATIONS (2)
Plantation Gen. Invs.; Williamson Tea

MINES (2)
Sentrust; Eastern Pet. Australia

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

| Stock | Closing price | Day's change |
|---|---|---|
| Argyle Trust | 28 | + 3 |
| Carpets International | 71 | + 4 |
| Control Secs | 42 | + 3½ |
| Debenhams | 279 | — |
| Evode | 136 | +10 |
| IMI | 105 | + 1 |
| ICI | 730 | −10 |
| Owen Owen | 228 | +38 |
| Ropner | 185 | +17 |
| Tarmac | 548 | +18 |
| Thorn EMI | 445 | +28 |
| Westland | 140 | — |

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Tue April 30 1985 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | xd adj. 1985 to date | Mon April 29 Index No. | Fri April 26 Index No. | Thur April 25 Index No. | Year ago (approx.) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | | | |

### FIXED INTEREST

| | PRICE INDICES | Tue April 30 | Day's change % | Mon April 29 | xd adj. today | xd adj. 1985 to date |
|---|---|---|---|---|---|---|
| | British Government | | | | | |
| 1 | 5 years | 117.43 | +0.06 | 117.36 | — | 3.69 |
| 2 | 5-15 years | 128.60 | — | 128.59 | — | 5.01 |
| 3 | Over 15 years | 136.18 | +0.02 | 136.15 | — | 3.03 |
| 4 | Irredeemables | 144.53 | −0.04 | 144.59 | — | 6.07 |
| 5 | All stocks | 127.58 | +0.02 | 127.55 | — | 4.28 |
| 6 | Debentures & Loans | 109.04 | +0.07 | 108.97 | — | 4.22 |
| 7 | Preference | 77.67 | +0.05 | 77.63 | — | 2.40 |
| | BRITISH GOVERNMENT INDEX-LINKED STOCKS | | | | | |
| 8 | All stocks | 109.86 | −0.01 | 109.87 | — | 1.03 |

| | AVERAGE GROSS REDEMPTION YIELDS | | Tue April 30 | Mon April 29 | Year ago (approx.) |
|---|---|---|---|---|---|
| | British Government | | | | |
| 1 | Low | 5 years | 10.54 | 10.56 | 10.35 |
| 2 | Coupons | 15 years | 10.64 | 10.63 | 10.36 |
| 3 | | 25 years | 10.26 | 10.24 | 9.91 |
| 4 | Medium | 5 years | 11.45 | 11.45 | 10.96 |
| 5 | Coupons | 15 years | 10.92 | 10.92 | 10.83 |
| 6 | | 25 years | 10.43 | 10.43 | 10.21 |
| 7 | High | 5 years | 11.53 | 11.53 | 11.05 |
| 8 | Coupons | 15 years | 11.08 | 11.07 | 10.99 |
| 9 | | 25 years | 10.57 | 10.57 | 10.32 |
| 10 | Irredeemables† | | 10.07 | 10.07 | 9.83 |
| 11 | Debs & Loans | 5 years | 11.92 | 11.93 | 11.51 |
| 12 | | 15 years | 11.74 | 11.75 | 11.49 |
| 13 | | 25 years | 11.56 | 11.57 | 11.47 |
| 14 | Preference† | | 12.67 | 12.68 | 12.46 |
| 15 | Inflation rate | 5% | 3.46 | 3.46 | 3.63 |
| 16 | | 10% | 3.28 | 3.27 | 3.44 |

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p. CONSTITUENT CHANGES: Initial (46) has been deleted and has been replaced by TACE (6). ●Corrected figures on xd adjustment 29/4/85.

## MONTHLY AVERAGES OF STOCK INDICES

| | April | March | February | January |
|---|---|---|---|---|
| Financial Times | | | | |
| Government Securities | 81.35 | 80.49 | 79.71 | 80.25 |
| Fixed Interest | 85.73 | 84.15 | 83.57 | 84.28 |
| Ordinary | 969.0 | †987.4 | 979.3 | 977.0 |
| Gold Mines | 515.1 | †482.9 | 481.5 | 457.5 |
| Total Bargains | 25,321 | 25,240 | 25,049 | 28115 |
| F.T.— Actuaries | | | | |
| Industrial Group | 634.19 | †635.21 | 625.16 | 624.59 |
| 500 Share | 578.94 | 580.24 | 571.87 | 563.85 |
| Financial Group | 454.55 | 455.57 | 448.40 | 441.01 |
| All-Share | 519.75 | 522.06 | 514.31 | 504.88 |
| FT-SE 100 | 1285.5 | 1290.5 | 1277.0 | 1255.0 |

| | April High | April Low |
|---|---|---|
| Ordinary | 991.3 (18th) | 955.9 (9th) |
| All-Share | 525.69 (18th) | 512.14 (9th) |
| FT-SE 100 | 1305.5 (18th) | 1269.3 (11th) |

**Could this be YOU in a few years' time?**

**-remembering the Christmas dinners she used to cook?**

You had never thought how empty life might be without her . . . how cruelly inflation might shrink your savings to a pittance . . . or how a lifetime's standards of comfort and dignity might suddenly be beyond reach.

Can you begin to imagine the agony of such a situation? And if so, will you care enough to help? Thanks to the DGAA, thousands of men and women like him – left lonely and deprived in the autumn of their years – are given friendship and practical help just when and where they need it most.

But since we depend entirely on private donations, covenants and legacies, we desperately need your help to continue our unique service. Please send to us *now*, before Christmas.

THE DISTRESSED GENTLEFOLK'S AID ASSOCIATION

*Founded 1897. Patron H.M. Queen Elizabeth, the Queen Mother*

Dept 7, Vicarage Gate House, Vicarage Gate, London W8 4AQ. Tel: 01-229 9341

"HELP THEM GROW OLD WITH DIGNITY"

## RECENT ISSUES

### EQUITIES

| Issue price p | Amount paid up | Latest Renunc. date | 1985 High | 1985 Low | Stock | Closing price p | +or− | Net Div. | Times covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | | | | |

### FIXED INTEREST STOCKS

| Issue price £ | Amount paid up | Latest Renunc. date | 1985 High | 1985 Low | Stock | Closing price £ | +or− |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

### RIGHTS OFFERS

| Issue price p | Amount paid up | Latest Renunc. date | 1985 High | 1985 Low | Stock | Closing price p | +or− |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖‖ Allotment letters or fully-paid. ‡‡ Introduction. ● Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). ∫ Units comprising 4 Ord., 1 Warrant and £1.00 of 12½ per cent Unn.Ln. stk. 1995-99.

## OPTIONS

| First Deal-ings | Last Deal-ings | Last Declara-tion | For Settle-ment |
|---|---|---|---|
| Apr 22 | May 3 | July 25 | Aug 3 |
| May 7 | May 17 | Aug 8 | Aug 19 |
| May 20 | June 7 | Aug 29 | Sept 9 |

*For rate indications see end of Share Information Service*

Stocks favoured for the call included CASE, Pentland Industries, Martin Ford, British Oil and Minerals, Premier Consolidated, Inter-City, Oliver Prospecting, Sangers, Waterford Glass, Meekatharra, C. H. Bailey, VW Thermax, Jacksons Exploration, Burnett and Hallamshire, Cornell Holdings, Combined Technology and Eglinton. Minet were dealt in for the put, while a double option was arranged in Ocean Transport.

## RISES AND FALLS YESTERDAY

| | Rises | Falls | Same |
|---|---|---|---|
| British Funds | 21 | 10 | 76 |
| Corpns., Dom. and Foreign Bonds | 14 | 7 | 53 |
| Industrials | 274 | 285 | 887 |
| Fin. and Props. | 78 | 150 | 312 |
| Oils | 12 | 44 | 63 |
| Plantations | 7 | 2 | 70 |
| Mines | 8 | 90 | 82 |
| Others | 20 | 146 | 54 |
| Totals | 434 | 738 | 1,543 |

## MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

| Stock | No. of changes | Mon. close | Day's change |
|---|---|---|---|
| Hogg Robinson | 22 | 295 | +14 |
| Westland | 20 | 140 | — |
| Pentland Inds | 17 | 730 | +45 |
| Woolworth | 18 | 828 | +16 |
| BAT Inds | 15 | 328 | − 5 |
| Selincourt | 15 | 32¼ | + 1½ |
| Legal and Gen | 13 | 673 | + 8 |
| Barratt Devs | 12 | 90 | + 8 |
| Higsons Brew | 12 | 165 | +29 |
| Prudential | 12 | 660 | +22 |
| Brit Aerospace | 11 | 400 | −10 |
| BP | 11 | 556 | − 4 |
| Debenhams | 11 | 279 | + 5 |
| ICI | 11 | 740 | − 7 |

## LONDON TRADED OPTIONS

| Option | | Calls Jly. | Calls Oct. | Calls Jan. | Puts Jly. | Puts Oct. | Puts Jan. |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

| Option | | Calls May | Calls Aug. | Calls Nov. | Puts May | Puts Aug. | Puts Nov. |
|---|---|---|---|---|---|---|---|
| Imperial Gp. (*183) | 160 | 29 | 36 | — | 1½ | 9 | — |
| | 180 | 11 | 12 | 24 | 4 | 9 | 11 |
| | 200 | 4 | 13 | 17 | 13 | 22 | 25 |
| | 220 | 0½ | 8 | 7 | 33 | 38 | 42 |
| [illegible] | | | | | | | |

Apr. 30. Total contracts 4,666 Calls 3,133. Puts 1,533. * Underlying security price.

IDC
DESIGN · CONSTRUCT · ENGINEER
Stratford-upon-Avon (0789) 204288

# LONDON SHARE SERVICE

## BRITISH FUNDS

### "Shorts" (Lives up to Five Years)

| 1985 High | Low | Stock | Price £ | + or – | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 100¾ | 99⅛ | Treas 11½pc 1985 | 99⅞ | | 11.53 | 12.61 |
| 98⅞ | 97⅝ | Treas 8¾pc Cnv '85 | 98⅝ | | 8.86 | 12.27 |
| 101⅞ | 99⅛ | Exch. 12¼pc 1985 | 100¼xd | | 12.23 | 12.01 |
| 101⅜ | 99⅜ | Exch. 11¾pc '86 | 100 | | 11.75 | 11.65 |
| 99½ | 97⅞ | Treas. 10pc Cnv 1986 | 98⅞ | | 10.13 | 11.47 |
| 94⅝ | 92¾ | Treas 3pc 1986 | 93⅞ | | 3.20 | 9.41 |
| 100 | 97½ | Exch. 10½pc Cv '86 | 99⅛ | | 10.59 | 11.44 |
| 101⅞ | 99⅞ | Treas 12pc 1986 | 100⅜ | –⅛ | 11.95 | 11.53 |
| 97⅛ | 94⅝ | Treas 8¼pc 1984-86‡‡ | 96⅜ | | 8.77 | 11.35 |
| 105⅜ | 102⅛ | Exch. 14pc 1986 | 103⅛ | | 13.56 | 11.56 |
| 91⅞ | 87¾ | Exch. 2½pc 1986 | 91½xd | | 2.73 | 8.43 |
| 104⅝ | 101¾ | Exch. 13¼pc 1987 | 102⅝ | –⅛ | 12.91 | 11.40 |
| 99½ | 96⅝ | Treas 10¼pc Cv '87 | 98⅜ | +⅛ | 10.42 | 11.24 |
| 90 | 85½ | Exch 2½pc 1987 | 89⅜ | +⅛ | 2.79 | 8.82 |
| 99⅜ | 96⅝ | Exch. 10½pc 1987 | 98½ | +⅛ | 10.66 | 11.38 |
| 93 | 89 | Funding 6½pc '85-87‡‡ | 92⅜xd | | 7.04 | 10.84 |
| 98½ | 95½ | Treas. 10pc 1987 | 97⅛ | | 10.38 | 11.48 |
| 87⅞ | 84¾ | Treas 3pc 1987 | 87⅝ | +⅛ | 3.42 | 9.34 |
| 102⅞ | 99⅝ | Treas. 12pc 1987 | 101¼xd | | 11.85 | 11.39 |
| 93¼ | 90¾ | Treas 7¾pc 1985-88‡‡ | 92½ | | 8.38 | 10.97 |
| 98⅝ | 95⅝ | Exch 10½pc '88 | 97⅞xd | +⅛ | 10.72 | 11.33 |
| 96⅞ | 93⅝ | Treas 9¾pc Cv '88 | 95⅞ | +⅛ | 10.19 | 11.42 |
| 83¾ | 80 | Transport 3pc '78-88 | 83⅝ | +⅛ | 3.59 | 9.06 |
| 95⅝ | 91½ | Treas. 9½pc '88 | 94⅜ | +⅛ | 10.05 | 11.43 |
| 101⅝ | 97½ | Treas 11½pc 1989 | 100⅜ | | 11.46 | 11.35 |
| 95⅜ | 90⅝ | Treas 9½pc Cnv. '89 | 94⅛ | | 10.10 | 11.40 |
| 79⅝ | 79 | Treas 3pc 1989 | 79⅛ | | 3.79 | 9.35 |
| 98½ | 94 | Treas 10½pc 1989 | 96⅞ | | 10.84 | 11.46 |
| 96⅞ | 92 | Exch. 10pc 1989 | 95⅜ | +⅛ | 10.49 | 11.41 |
| 99⅞ | 95 | Exch 11pc 1989 | 98⅜ | +⅛ | 11.16 | 11.40 |
| 83 | 79 | Treas 5pc 1986-89 | 82⅝ | | 6.05 | 9.91 |
| 107½ | 103¼ | Treas 13pc 1990‡‡ | 106¼ | +⅛ | [illegible] | 11.23 |
| 99⅞ | 96⅞ | Exch 11pc 1990‡‡ | 98⅜ | +⅛ | [illegible] | 11.37 |
| 108⅝ | 100⅝ | Exch. 12½pc 1990 | 104⅜ | +⅛ | 15.[illegible] | 11.31 |

### Five to Fifteen Years

### Over Fifteen Years

### Undated

### Index-Linked

## INT. BANK AND O'SEAS GOVT STERLING ISSUES

## CORPORATION LOANS

## COMMONWEALTH & AFRICAN LOANS

## LOANS

### Building Societies

### Public Board and Ind.

### Financial

## FOREIGN BONDS & RAILS

## AMERICANS

## AMERICANS—Cont.

## CANADIANS

## BANKS, HP & LEASING

### Hire Purchase, Leasing, etc.

## BEERS, WINES & SPIRITS

## BEERS, WINES—Cont.

## BUILDING, TIMBER, ROADS

## CHEMICALS, PLASTICS

## DRAPERY AND STORES

## DRAPERY & STORES—Cont.

## ELECTRICALS

## ENGINEERING

## ENGINEERING—Continued

## FOOD, GROCERIES, ETC

## HOTELS AND CATERERS

## HOTELS—Continued

## INDUSTRIALS (Miscel.)

هخزانة الفصل

## INDUSTRIALS—Continued

[illegible]

## INSURANCES

[illegible]

## LEISURE

[illegible]

## LEISURE—Continued

[illegible]

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

[illegible]

### Commercial Vehicles

[illegible]

### Components

[illegible]

### Garages and Distributors

[illegible]

## NEWSPAPERS, PUBLISHERS

[illegible]

## PAPER, PRINTING, ADVERTISING

[illegible]

## PROPERTY

[illegible]

## PROPERTY—Continued

[illegible]

## SHIPPING

[illegible]

## SHOES AND LEATHER

[illegible]

## SOUTH AFRICANS

[illegible]

## TEXTILES

[illegible]

## TOBACCOS

[illegible]

## TRUSTS, FINANCE, LAND

### Investment Trusts

[illegible]

## INVESTMENT TRUSTS—Continued

[illegible]

### Finance, Land, etc

[illegible]

## OIL AND GAS

[illegible]

## OVERSEAS TRADERS

[illegible]

## PLANTATIONS

### Rubbers, Palm Oil

[illegible]

### Teas

[illegible]

## MINES

### Central Rand

[illegible]

### Eastern Rand

[illegible]

### Far West Rand

[illegible]

### O.F.S.

[illegible]

### Diamond and Platinum

[illegible]

### Central African

[illegible]

## MINES—Continued

### Finance

[illegible]

### Australians

[illegible]

### Tins

[illegible]

### Miscellaneous

[illegible]

| 1985 High | Low | Stock | Price | + or - | Div Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 350 | 140 | ♥Centennial Min'ls. | 150 | -5 | — | — | — |
| 120 | 70 | ♥Colby Res Corp. | 80 | -5 | — | — | — |
| 560 | 450 | Cons. Murch. 10c | 450 | ..... | †0100c | 1.4 | 10.8 |
| 40 | 28 | ‡Ennex Int. Ir10p | 35 | ..... | — | — | — |
| 117 | 75 | ♥Greenwich Res. Inc. | 80 | ..... | — | — | — |
| 215 | 157 | Hampton Areas 10p | 205 | -5 | 3.75 | 2.1 | 2.5 |
| 260 | 160 | ♥Highwood Res. | 200 | +10 | — | — | — |
| £22½ | £18 | Homestake Mining $1 | £19¾ | -½ | Q20c | — | 0.8 |
| 310 | 190 | ♥McFinley Red Lake | 290 | -10 | — | — | — |
| 300 | 195 | ♥Nusso Explorations | 270 | +10 | — | — | — |
| 55 | 23 | ♥New Sabina Res C$1 | 50 | ..... | — | — | — |
| 375 | 260 | Northgate C$1 | 345 | +5 | — | — | — |
| 685 | 581 | RTZ | 625 | -3 | 20.0 | q2.9 | 4.7 |
| £145½ | £129 | Do. 9½pcLn '95-2000 | £135½ | -1 | Q9½% | 35.4 | — |
| £13½ | £10 | ♥Tara Expln $1 | £13¼ | -¼ | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ‖ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ‡ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

## REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

| | | | | | |
|---|---|---|---|---|---|
| Albany Inv 20p | 180 | ..... | Arnott | 179 | ..... |
| Craig & Rose £1 | £10 | ..... | CPI Hldgs | 50 | ..... |
| Finlay Pkg. 5p | 61 | ..... | Carroll Inds. | 117 | +2 |
| Higsons Brew | 155 | -10 | Dublin Gas. | 54 | ..... |
| Holt (Jos) 25p | 745 | ..... | Hall (R. & H.) | 50 | +1 |
| IoM Stm. £1 | 93 | -2 | Helton Hldgs. | 16 | ..... |
| IRISH | | | Irish Ropes | 41 | ..... |
| Exch. 12% 1985 | £100 | ..... | Jacob (W.& R.) | 71xd | ..... |
| Nat. 9¾% 84/89 | £90 | +⅛ | Unidare | 85 | ..... |
| Fin. 13% 97/02 | £98½ | ..... | | | |

## OPTIONS — 3-month call rates

| Industrials | p | | | | |
|---|---|---|---|---|---|
| Allied-Lyons | 16 | GKN | 37 | Turner Newall | 10 |
| BAT | 32 | Hanson Tst. | 17½ | Unilever | 85 |
| BOC Grp. | 23 | Hawker Sidd | 38 | Vickers | 19 |
| BSR | 16 | Hse of Fraser | 30 | Property | |
| BTR | 52 | ICI | 60 | Brit Land | 12 |
| Babcock | 14 | 'Imps' | 10 | Cap Counties | 18 |
| Barclays | 48 | Jaguar | 28 | Land Secs | 25 |
| Beecham | 32 | Ladbroke | 24 | MEPC | 28 |
| Blue Circle | 45 | Legal & Gen | 50 | Peachey | 22 |
| Boots | 15 | Lex Service | 28 | Samuel Props | 14 |
| Bowaters | 20 | Lloyds Bank | 45 | Oils | |
| Brit Aerospace | 33 | Lucas Inds | 25 | Brit. Oil & Min | 4 |
| Brit. Telecom | 11 | Marks & Spcr | 11 | Brit Petroleum | 42 |
| Brown (J.) | 3 | Midland Bk | 30 | Burmah Oil | 18 |
| Burton Ord | 39 | NEI | 8 | Charterhall | 6 |
| Cadburys | 14 | Nat West Bk | 60 | Premier | 5 |
| Comm Union | 19 | P & O Dfd | 36 | Shell | 60 |
| Courtaulds | 12½ | Plessey | 17 | Tricentrol | 18 |
| Debenhams | 17½ | Polly Peck | 26 | Ultramar | 19 |
| Distillers | 28 | Racal Elect | 18 | Mines | |
| Dunlop | 6 | RHM | 11 | Charter Cons | 18 |
| FNFC | 8½ | Rank Org Ord | 32 | Cons Gold | 44 |
| Gen Accident | 45 | Reed Intnl | 50 | Lonrho | 14 |
| Gen Electric | 17 | Sears | 8 | Rio T Zinc | 56 |
| Glaxo | 85 | TI | 20 | | |
| Grand Met | 25 | Tesco | 28 | | |
| GUS 'A' | 60 | Thorn EMI | 55 | | |
| Guardian | 60 | Trust Houses | 13 | | |

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 31

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

# FT UNIT TRUST INFORMATION SERVICE

# AUTHORISED UNIT TRUSTS

## Abbey Unit Tst. Mngrs. (a)

1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

| | | | | |
|---|---|---|---|---|
| **High Income** | | | | |
| Gilts & Fixed Int. | 110.3 | 116 7 | -0 2 | 10 78 |
| High Inc Equity | 71 1 | 75 6 | | 6.14 |
| Worldwide Bond | 145 8 | 155.1 | -2 8 | 6.25 |
| **Capital Growth** | | | | |
| American Growth | 128.5 | 136 7 | -1 9 | 1.59 |
| Asian Pacific | 49 1 | 52.3 | -0 1 | - |
| Assets & Engs. Tt. | 73 9 | 79 0 | -1 0 | 3 67 |
| Capital Reserve | 55.2 | 55.5 | -0 2 | 0.76 |
| Commodity & Engy. | 74 5 | 79.7 | | 1.25 |
| General | 101.0 | 111 0 | +0.2 | 2.91 |
| Japan | 162.1 | 174 3 | -1.1 | 0 00 |
| Ud Growth Acc Units | 104 0 | 112 7 | | 1.94 |
| U S. Emerging Co's. | 54 4 | 58.2 | -0 7 | 0 45 |
| Equitas Prog. | 154 9 | 165.7 | -2.9 | 1 12 |

## Aitken Hume

30, City Road, EC1Y 2AY. 01-628 6626

| | | | | |
|---|---|---|---|---|
| American Tech Fd | 112 1 | 119 9 | -1.0 | 0.10 |
| Pacific Fd | 127.3 | 136.2 | | 0.20 |
| Secured Income Fd. | 144 6 | 154 7 | +2.2 | 5.50 |
| Special Sits | 166 1 | 177 7 | | 1.56 |
| Energy Fd. | 39.2 | 41 9 | | 0 60 |
| American Majors | 57 0 | 61 0 | -0.5 | 1.56 |
| Small Co's Fd (10for1) | 30 1 | 32 4 | | 1.97 |
| Jap. Technology | 63.3 | 67 7 | -0.3 | 0 10 |
| International Income | 48.6 | 52.0 | | 7.00 |

## Allied Unit Trusts Limited (a)(g)

Allied Hambro House, Hutton, Brentwood, Essex Brentwood. (0277) 211459 & 229123

| | | | | |
|---|---|---|---|---|
| **Balanced Trusts and Income Trusts** | | | | |
| First Trust | 164.1 | 174.8 | | 4.23 |
| Growth & Inc Trust | 103.5 | 110.2 | -0.3 | 4 17 |
| Capital Trust | 187.6 | 199.8 | -0.2 | 2.99 |
| Balanced Trust | 278.6 | 296.7 | -0.1 | 3 96 |
| Accum Trust | 419 1 | 446.3 | -0.1 | 5.25 |
| American Income | 29.3 | 31.2 | -0.3 | 6 41 |
| High Income Trust | 100 8 | 192.5 | -0.2 | 5 70 |
| Equity Income Trust. | 100 1 | 106.8 | -0.2 | 5.88 |
| High Yield Trust | 115.1 | 122.6 | -0.3 | 6 76 |
| Govt Secs Trust | 27.6 | 28.8 | -0 1 | 10.00 |
| **International Trusts** | | | | |
| International Tst | 61.6 | 65.6 | -0.6 | 2.01 |
| Japan Trust | 60.0 | 65 7 | -0.6 | 0.01 |

| | | | | |
|---|---|---|---|---|
| Do. W'Wide Trust | 107.6 | 114.4 | -2.1 | 1.75 |
| B'tst.In.Fd.Acc. | 237 7 | 252 0 | | 3.88 |
| Do. Income | 158.2 | 168.3 | -0.2 | 3.88 |

## Baring Fund Managers Ltd.

P O. Box 156, Beckenham, Kent BR3 4X0. 01-658 9002

| | | | | |
|---|---|---|---|---|
| Growth & Inc | 484.7 | 504.8 | | 3.74 |
| Do. Accum. | 716.2 | 746 0 | | 3.74 |

Next sub day May 8

## Barrington Mgmt Co Limited

59 Gresham Street, EC2P 2DS. 01-606 4433

| | | | | |
|---|---|---|---|---|
| Gen. (1for1) April 24 | 114 7 | 121 6 | | 3 75 |
| (Accum. Units) | 151 9 | 161 1 | | 3 75 |
| High Yld (5for1) Apr 18 | 63 4 | 67.5 | | 6.82 |
| (Accum. Units) | 118 T | 126.3 | | 6.82 |
| Gilt April 30 | 109 1 | 112.5 | -0 8 | 10 48 |
| (Accum. Units) | 157 0 | 161 9 | -0.9 | 10 48 |
| Smaller Co Apr 19 | 286.7 | 305.0 | | 2.86 |
| (Accum Units) | 330.9 | 352 1 | | 2.86 |
| Pacific Apr 30 (10for1) | 89 7 | 94.6 | +3.7 | 0 92 |
| (Accum. Units) | 100.5 | 105 8 | +4.1 | 0 92 |
| North American Apr 26 | 225 9 | 237 5 | | 1.08 |
| (Accum. Units) | 256.8 | 269.9 | | 1.08 |
| European April 24 | 239 7 | 249 6 | - | 2.52 |
| (Accum. Units) | 290.3 | 302.1 | | 2.52 |
| Japan April 30 | 172.1 | 134 4 | +5 0 | 0.64 |

## Bishopsgate Progressive Mgmt. Co.

65 Holborn Viaduct, EC1A 2DR. 01-248 4000

| | | | | |
|---|---|---|---|---|
| B'gate Prog April 23 | 516.9 | 563 0 | | 1.10 |
| Acc Units April 23 | 965.6 | 1027.8 | | 1.10 |
| B'gate Int April 16 | 824.0 | 872.4 | | 0 75 |
| Accum April 16 | 993 9 | 1051 3 | | 0 75 |
| Beckman April 24 | 172.2 | 179.5 | | — |
| Can & For April 25 | 96.5 | 102.8 | | 1.20 |
| Accum April 25 | 99 9 | 106 4 | | 1.20 |

## Bridge Fund Managers (a)(e)

Regis House, King William St, EC4. 01-623 4951

| | | | | |
|---|---|---|---|---|
| Amer. Gen Inc.† | 66 4 | 72 2 | | 8.55 |
| Do. Acc† | 66.0 | 77 7 | | 0.55 |
| Income* | 102 9 | 112.5 | +0.8 | 4 98 |
| Capital Inc.‡ | 98 7 | 106.2 | | 2.09 |
| Do. Acc.‡ | 127.0 | 136.6 | | 2.09 |
| Exempt‡ | 239 0 | 257 0 | | 2.90 |
| Intl. Recovery Inc.‡ | 37 7 | 40.6 | | 0.53 |
| Do. Acc.‡ | 49 5 | 51 3 | | 0.53 |

Dealing †Tues. ‡Wed. †Thur. Prices April 30 1 2

## Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)

Salisbury House, 31, Finsbury Circus, London EC2 01-588 2777 Dealing: 01-638 0478/0479

Britannia Viewpoint 01 675 6666

| | | | | |
|---|---|---|---|---|
| **UK Specialist Funds** | | | | |
| Growth Gilt Trust | 51 9 | 52.7 | | 0 73 |
| Recovery | 77 3 | 82.5 | -0 4 | 2.86 |
| Smaller Cos | 112.6 | 120 1 | -0 4 | 1.27 |
| Spec. Mkt. Sits. | 73.3 | 78.2 | -0 4 | 1.34 |
| UK Growth (Domestic) | 32 T | 34.9 | +0.4 | 3.02 |
| **High Income Funds** | | | | |
| Extra Inc. | 51 3 | 54 7 | -0 1 | 7 52 |
| Gilt | 25 7 | 27 1 | | 9 74 |
| Inc & Growth | 149 1 | 159.3 | -0.4 | 4.72 |
| Nat. High Inc. | 144 7 | 154 3 | -0.3 | 6.04 |
| Pref Shares | 17 1 | 18 5 | +0.2 | 11 16 |

## Discretionary Unit Fund Managers

36/38 New Broad St, EC2M 1NU. 01-638 4485

| | | | | |
|---|---|---|---|---|
| Disc Int April 26 | 76.2 | 80.5 | | 4.45 |

## EFM Unit Trust Managers Ltd

4 Melville Crescent, Edinburgh. 031-226 3492

| | | | | |
|---|---|---|---|---|
| EFM American Fund | 64.0 | 68.4 | -1.5 | 2.56 |
| EFM Capital Fund | 64 7 | 69.2 | -1.5 | 1.99 |
| EFM Growth & Inc Fd. | 105.6 | 113.0 | | 4.20 |
| EFM High Dist. Fd. | 85 8 | 91.8 | -0.2 | 6.25 |
| EFM International Fund | 155.2 | 166.0 | -2.6 | 1.36 |
| EFM Resources Fund | 25.1 | 26.8 | -0.3 | 2.24 |
| EFM Smaller Jap Co's | 21.2 | 22.6 | -0.2 | 0 10 |
| EFM Tokyo Fund | 99.5 | 106 4 | -0 9 | 0.23 |
| **Edinburgh Exempt Funds*** | | | | |
| American May 1 | 118.6 | 122 5 | +1.2 | 2.96 |
| Japan April 25 | 65 T | 67 9 | | 0.35 |
| Pacific April 26 | 197 3 | 203.8 | | 1.97 |
| Smaller Japan Cos Apr 26 | 118.7 | 122.6 | | 0.10 |

*Unauthorised

## Equitable Units Administration Ltd

57-63, Princess St, Manchester 061-236 5685

| | | | | |
|---|---|---|---|---|
| Equitable Pelican Uts. | 279 9 | 297.6 | -0 4 | 8 43 |

## Equity & Law Un. Tr. M. (a) (b) (c)

Amersham Rd, High Wycombe. 0494 33377

| | | | | |
|---|---|---|---|---|
| UK Gwth Tst. Acc. | 113.6 | 120.8 | -0.2 | 3 82 |
| UK Gwth Tst. Inc | 101 T | 108 1 | -0.2 | 3 82 |
| Higher Inc. Tst. Acc. | 166 1 | 176.6 | +0 1 | 5.79 |
| Higher Inc Tst Inc | 139.3 | 148 1 | +0 1 | 5 79 |
| Gilts/Fxd.Int.Tst Acc. | 85 1 | 89.5 | -0 1 | 3.27 |
| Gilts-Fxd Int. Tst Inc | 74 7 | 70 6 | -0 1 | 3 77 |
| Nth America Tst Acc | 121 7 | 179 4 | -1.0 | 0.84 |
| Far East Tst. Acc | 89.4 | 95 1 | +1 0 | 1 31 |
| Euro. Tst. Acc. | 84.2 | 89.5 | -0.3 | 1 49 |
| General Tst. | 181.3 | 192.8 | -1.1 | 3.17 |

## F & C Unit Management

1 Laurence Pountney Hill, EC4R 0BA. 01-623 4680

| | | | | |
|---|---|---|---|---|
| F&C American Fd | 64.2 | 68 7 | -1.2 | 0.53 |
| F & C Cap Fund | 87 1 | 91 4 | -0 6 | 0 94 |
| F & C Income | 60.1 | 64.3 | -0.1 | 3 47 |
| Far Eastn Unit Fd | 50.0 | 53.5 | | 0 96 |

## FS Investment Managers Ltd.

190 West George St., Glasgow. 041-332 6462

| | | | | |
|---|---|---|---|---|
| FS Balanced Gwth Fd. | 226.4 | 240.8 | | — |

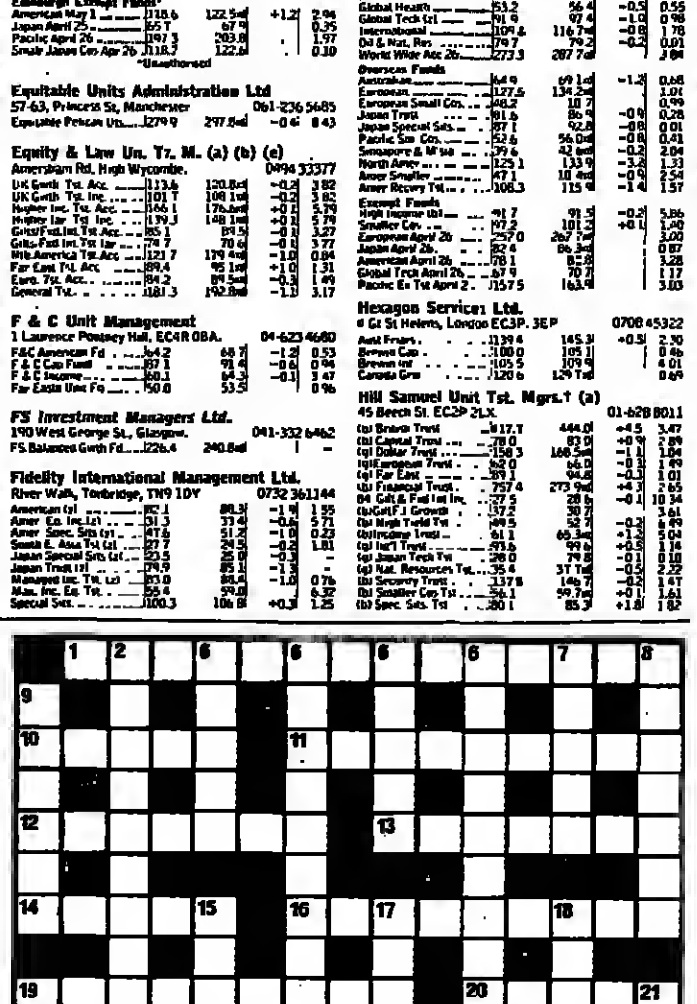
## Fidelity International Management Ltd.

River Walk, Tonbridge, TN9 1DY 0732 361144

| | | | | |
|---|---|---|---|---|
| American (y) | 82 1 | 88.3 | -1 9 | 1 55 |
| Amer Eq. Inc.(z) | 31 3 | 33 4 | -0.6 | 5 71 |
| Amer Spec. Sits (y) | 47.6 | 51.2 | -1 0 | 0.23 |
| South E. Asia Tst (z) | 22 7 | 24.5 | -0.2 | 1.81 |
| Japan Special Sits (z) | 23.5 | 25 0 | -0.3 | - |
| Japan Trust (z) | 79.9 | 85 1 | -1 3 | - |
| Managed Inc. Tst. (z) | 83.0 | 88.4 | -1.0 | 0 76 |
| Man. Inc. Eq. Tst. | 55 4 | 59.0 | | 6.32 |
| Special Sits. | 100.3 | 106 8 | +0.3 | 1.25 |

# INSURANCES

# F.T. CROSSWORD PUZZLE No. 5,707



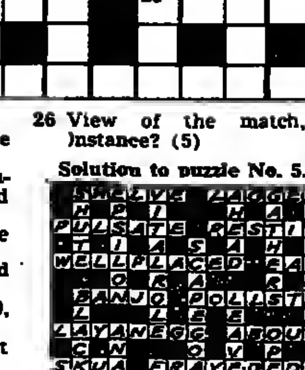
**ACROSS**

1 Repairs to inn meant street diversions (14)
10 Break open the chest around mid-afternoon (5)
11 German car at Rio, going round the houses (9)
12 Less apt to break, they hold things together (7)
13 Count Zeppelin designed it to publicise his new piano (7)
14 Managing at home during plague (5)
16 One with needle and thread may add details (9)
19 As soon as quoted, goes round being proud (9)
20 Relish seeing the skinhead in the gallery (5)
22 To start necking in coffee break is a crime! (7)
25 Exists to cover poor Nell's indisposition (7)
27 Wealthy man with power to put Carl out (9)
28 Darling, she's a national heroine (5)
29 Not a dais on which there's a tendency to show reluctance (14)

**DOWN**

2 Managed to raise statutory allowance on account (9)
3 Praise Abraham's nephew, rising after quarter to ten (5)
4 When in the river, is an arrangement that's tomorrow (9)
5 Rising to give assistance, alight before you get here (5)
6 Dr Hill, the leading osteopath, enters club launch (9)
7 And not getting that half a point? (5)
8 A person who cheats is less blunt (7)
9 American in a plot made *insulting speech* (6)
15 Jealous, takes an instrument from the inexperienced chap (9)
17 Staff change mind in middle of game (9)
18 Dora craftily changed speed before reckless ruffian (9)
19 Caught holding Rover's tail, which is cut short (7)
21 Use switches in the last part followed (6)
23 Collides with the fathead, poor soul! (5)
24 Ron's resolution appears in the Spanish register (5)
26 View of the match, for instance? (5)

**Solution to puzzle No. 5,706**



# INSURANCE, OVERSEAS & MONEY FUNDS

**Save & Prosper Group**
28, Western Rd, Romford RM1 3LB. 0708-66966

| | | | | |
|---|---|---|---|---|
| Global Equity Fund (z) | 93.3 | 98.8 | −0.5 | — |
| Bal. Inv. Fd. | 301.5 | 318.9 | −1.4 | — |
| Property Fd. | 300.5 | 318.0 | +0.5 | — |
| Gilt Fd. | 239.4 | 253.4 | +0.3 | — |
| Deposit Fd.† | 199.9 | 211.6 | +0.3 | — |
| Man. Pens. Fd. | 65.1 | 68.9 | −0.2 | — |
| Equity/Pens. Fd. | 67.7 | 71.7 | −0.1 | — |
| Prop. Pens. Fd. | 56.8 | 60.2 | +0.1 | — |
| A. G. Bond Fund (z) | 73.8 | 78.2 | −0.5 | — |
| Dep Pen Fd‡ | 54.5 | 57.5 | ... | — |
| Gilt Pens Fd. | 54.0 | 57.2 | +0.2 | — |
| Global Eq Pens Fd | 73.3 | 77.6 | −0.4 | — |

‡Weekly dealings.

**Schroder Life Assurance Ltd.**
Enterprise House, Portsmouth. 0705 827733

| | | | | |
|---|---|---|---|---|
| Equity | 580.5 | 611.0 | +0.5 | — |
| Fixed Interest | 261.4 | 275.1 | −0.1 | — |
| Managed | 308.2 | 324.4 | .. | — |
| Deposit | 188.5 | 198.4 | +0.1 | — |
| Overseas | 190.4 | 200.4 | +1.3 | — |
| Property | 286.8 | 301.8 | −0.3 | — |
| American | 194.8 | 205.0 | −3.6 | — |
| Australian | 116.6 | 122.7 | −4.4 | — |
| European | 190.1 | 200.1 | −0.1 | — |
| Gilt & Fxd Int. | 143.1 | 150.6 | +0.6 | — |
| Income Accum | 263.7 | 277.5 | +1.4 | — |
| Income Distrib. | 205.7 | 216.5 | +1.3 | — |
| International | 187.7 | 197.5 | +1.5 | — |
| Japan Smllr Co's | 111.7 | 117.5 | −0.7 | — |
| Singapore & Malay | 133.5 | 140.5 | −3.1 | — |
| Smaller Co's | 255.7 | [illegible] | −0.4 | — |
| Tokyo | 210.4 | [illegible] | −1.2 | — |
| U.K. Equity | 239.0 | [illegible] | +1.1 | — |
| CCN Vanguard Mngd | 262.4 | [illegible] | −0.9 | — |
| Equity Pension | 345.5 | [illegible] | | — |
| Fxd Int Pension | 215.1 | [illegible] | −0.1 | — |
| Guaranteed Pens | 120.1 | [illegible] | +0.1 | — |
| Index-Linked Pens | 102.2 | [illegible] | | — |
| Managed Pension | 769.9 | 810 | | — |
| Deposit Pension | 117.7 | [illegible] | +0.1 | — |
| Overseas Pension | 194.7 | 20[illegible] | +1.3 | — |
| Property Pension | 254.5 | 267.9 | +0.2 | — |

**Target Life Assurance Co. Ltd.**
Target House, Gatehouse Road, Aylesbury, Bucks.
Aylesbury (0296) 5941

| | | | | |
|---|---|---|---|---|
| Managed | 313.7 | 330.3 | −1.6 | — |
| Property | 243.6 | 256.3 | +0.2 | .. |
| Fixed Int. | 151.4 | 159.4 | −0.2 | .. |
| Uk Equity | 321.4 | 338.4 | +1.0 | — |
| Int. Equity | 226.4 | 238.4 | −0.9 | .. |
| Deposit | 141.9 | 144.4 | | — |
| Managed Property | 123.4 | 130.5 | −0.5 | — |
| American Eagle | 103.3 | 108.8 | −2.3 | — |
| Technology | 81.7 | 86.1 | −1.4 | — |
| U.S. Special Bond | 128.T | 135.5 | −1.1 | — |
| Pacific | 113.0 | 119.0 | +0.2 | — |
| Australian | 107.4 | 113.1 | +1.0 | — |
| Japan | 155.6 | 161.7 | −0.6 | — |
| Malaysia & S'pore | 109.7 | 115.5 | −0.1 | — |
| Commodity | 130.1 | 137.0 | −0.1 | — |
| Energy | 85.2 | 89.7 | +0.3 | — |
| Gold | 127.8 | 134.6 | −1.0 | — |
| Financial | 143.1 | 150.7 | +0.4 | — |
| Income | 158.0 | 166.4 | +0.8 | — |
| Special Situations | 185.9 | 195.7 | −0.3 | — |
| Preference | 110.1 | 115.9 | −0.1 | — |
| Managed Currency | 78.1 | 82.3 | −0.3 | — |
| European | 95.0 | 100.0 | ... | — |
| Sterling | 89 | — | ..... | — |
| **Pension Funds** | | | | |
| Managed Pension | 827.5 | 871.1 | −6.0 | — |
| Gilt Pens. | 296.7 | 312.4 | +0.7 | — |
| Property Pens. | 345.2 | 363.4 | −1.5 | — |
| Equity Pens. | 368.7 | 377.6 | −2.0 | — |
| Index-L Plan | 112.3 | 118.3 | −0.2 | — |
| Guar. Pen | 216.1 | 227.5 | +0.1 | — |
| Leicester Retirement | 116.9 | 123.1 | +0.8 | — |

Prices quoted are for Accumulation units.

**Transinternational Life Ins. Co. Ltd.**
55-57, High Holborn, WC1V 6OU. 01-831 7481

| | | | | |
|---|---|---|---|---|
| Series 2 Man. Fd. | 213.4 | 224.6 | . | — |
| Series 2 Equity Fd | 266.1 | 280.0 | . | — |
| Series 2 Prop. Fd. | 200.4 | 210.9 | ..... | — |
| Series 2 Fixed Int. Fd. | 193.9 | 204.0 | .. | — |
| Series 2 Money Fd. | 140.4 | 147.7 | | — |
| Series 2 O'seas Fd | 186.8 | 196.6 | ... | — |

**World Wide Growth Management**
10a, Boulevard Royal, Luxembourg

| | | | | |
|---|---|---|---|---|
| Worldwide Gth Fd. | $12.20 | | −0.02 | — |

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

**Wren Commodity Management Ltd.**
10, St George's St, Douglas IoM. 0624 25015

| | | | | |
|---|---|---|---|---|
| Wren Comp. Fund | 12.8 | 13.4 | ... | 0.00 |
| Chinese Fund | 59.5 | 62.0 | .. | 0.00 |
| Precious Metal Fund | 69.5 | 72.4 | .. | 0.00 |
| Vanguard Cmdy. Fd. | 19.3 | 19.8 | ... | 0.00 |
| Financial Futures Fd. | 31.6 | 33.8 | .. | — |

**Yamaichi Dynamic Mngt Co SA**
10A Boulevard Royal, Luxembourg

| | | | | |
|---|---|---|---|---|
| Dynamic Gwth Fd. | | 18.43 | −0.03 | — |

## Money Market Trust Funds

| | Gross | Net | Gr Equiv CAR | Int Cr |
|---|---|---|---|---|
| **The Money Market Trust** 63 Qn Victoria St, EC4N 4ST. 01-236 0952 | | | | |
| Call Fnd | 12.79 | 9.56 | 14.23 | 6mth |
| 7-day Fnd | 13.10 | 9.79 | 14.60 | 6mth |
| **Oppenheimer Money Management Ltd** 66 Cannon St, EC4N 6AE. 01-236 1425 | | | | |
| Call Fnd | 12.91 | 9.65 | 14.26 | 6-Mth |
| 7-day Fund | 12.66 | 9.46 | 13.97 | 6-Mth |
| Dollar | 7.25 | | | 6-Mth |
| Money Mngt. Acc. | 12.50 | 4.34 | 14.03 | 3-Mth |

## Money Market Bank Accounts

| | Gross | Net | Gr Equiv CAR | Int Cr |
|---|---|---|---|---|
| **Aitken Hume** 30 City Road, EC1Y 2AY. 01-638 6070 | | | | |
| Treasury Acc. | 12.50 | 4.34 | 14.03 | Qtr |
| Mth. Inc. Chq. | 12.575 | 9.25 | 14.05 | Mth |
| **Bank of Scotland** 38 Threadneedle St. EC2P 2EH. 01-628 8060 | | | | |
| Cheque Acc. | 12.05 | 9.00 | 13.40 | Mth |
| **Barclays Prime Account** PO Box 125, Northampton 0604 252891 | | | | |
| High Int. Cheque | 12.25 | 4.00 | 13.49 | Qtr |
| **Britannia Grp of Investment Companies** 29 Finsbury Circus, EC2M 5QL. 01-558 2777 | | | | |
| Cater Allen | 12.25 | 9.16 | 13.64 | Mth |
| **Charterhouse Japhet plc** 1 Paternoster Row, EC4M 7DH. 01-248 3999 | | | | |
| Sterling | 12.375 | 4.25 | 14.29 | Mth |
| U.S. Dollar | 8.00 | 6.98 | 8.30 | Mth |
| German Marks | 5.0 | 4.73 | 5.12 | Mth |
| Swiss Francs | 3.00 | 1.50 | 2.02 | Mth |
| Japanese Yen | 5.00 | 3.74 | 5.12 | Mth |
| **Co-operative Bank Cheque & Save** 78-80 Cornhill EC3 01-626 6543 Ex 464 | | | | |
| £500-£2,500 | 11.0 | 8.23 | 12.11 | Qtr |
| £2,500 + | 13.00 | 9.72 | 14.40 | Qtr |
| **Dartington & Co Ltd** Dartington, Totnes, Devon TQ9 6JE. 0803 862271 | | | | |
| Money Mkt Acc. | 12.75 | 9.53 | 14.37 | Qtr |
| **Henderson/Bank of Scotland** 30 Threadneedle St EC2P 2EH 01-628 8060 | | | | |
| Money Mkt. Cheque Acc. | 12.05 | 9.00 | 13.40 | Mth |
| **Lombard North Central PLC** 17 Bruton St, W1A 3DH. 01-409 3434 | | | | |
| 14-Day Notice | 12.875 | 9.62 | 13.748 | — |
| **M & G/Kleinwort Benson** 91-99 New London Rd, Chelmsford. 0245 51651 | | | | |
| H.I.C.A. | 12.26 | 9.16 | 13.66 | Daily |
| **Midland Bank plc** PO Box 2, Sheffield. 0742 20999 Ext 8738 | | | | |
| High Int Chq. | 12.04 | 4.00 | 13.49 | Qtr |
| **Provincial Trust (formerly Chaulartons)** 30 Ashley Rd, Altrincham, Cheshire, WA1 20W 061-928 9011 | | | | |
| Cheque Acc. | 13.25 | 9.90 | 15.10 | Mth |
| **Save & Prosper/Robert Fleming** 28 Western Rd, Romford RM1 3LB. 0708 66966 | | | | |
| H.I.C.A. | 12.04 | 9.00 | | Daily |
| **Tyndall & Co** 29-33 Princess Victoria St, Bristol. 0272 732241 | | | | |
| Demand Acc. | 12.37 | 9.25 | 13.88 | Qtr |
| Money Acc. | 12.542 | 9.375 | 14.08 | Qtr |
| **J. Henry Schroder Wagg & Co Ltd** Enterprise House, Portsmouth 0705 827733 | | | | |
| Special Acc. | 12.60 | 9.42 | 14.32 | Mth |
| Over £10,000 | 12.85 | 9.61 | 14.62 | Mth |

NOTES—Gross rate to those exempt from composite rate of tax. Net: actual rate after deduction of CR7. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr. frequency interest credited.

### NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase.

# COMMODITIES AND AGRICULTURE

## Warning on Indian raw jute shortage

By P. C. Mahanti in Calcutta

MORE INDIAN jute mills could close soon unless a quick solution to the raw jute supply crisis is found, warns Mr B. K. Jalan, chairman of the Indian Jute Mills Association.

An acute and persistent shortage of raw material, coupled with troubled industrial relations in some cases, has forced 16 mills to put up the shutters in the past two months, putting about 7,000 people out of work.

The 1m bales of stocks in the mills still working will keep them operating for only six more weeks, Mr Jalan says, and new crop supplies will not be available until the end of July.

There is no possibility of filling the gap by adding to the 300,000 bales already imported, with great difficulty, from Bangladesh this season.

Even if extra jute could be found the financially weak closed mills would not be able to afford it. Jute goods are becoming increasingly unsaleable because of abnormally high manufacturing costs.

The industry has suggested organised block closures of mills or a more equitable and regulated supply of the available fibre. The Government is not expected to allow further closures, however, as this would lead to still tighter supplies of jute goods and another rise in prices, which are already considered too high by domestic and overseas buyers alike.

## Chinese grain change urged

PEKING—China should encourage grain markets involving private as well as state and co-operative wholesalers, to help peasants sell grain between provinces, according to Xue Muqiao, an economist.

The move is necessary as China plans to end mandatory state purchases and sales of grain this year, he was reported as saying by the New China News Agency.

Reuter

## Straits tin price drops further

BY OUR COMMODITIES STAFF

THE STRAITS tin price in Kuala Lumpur was allowed to drop to a new seven-year low yesterday as the International Tin Agreement's buffer stock manager continued to withhold his support from the market. The price, which dropped below the ITA "floor" price of M$29.15 a week earlier, lost another 30 cents to M$27.80 a kilo.

In allowing the price to slip below the floor level the buffer stock manager was using, for the first time, the flexibility in his operations granted at last month's International Tin Council meeting.

The policy has been defended by the Malaysian Government as a "properly considered course" to allow differentials between prices in Kuala Lumpur and on the London Metal Exchange (LME) to revert to a more normal level.

The differential had become distorted because defence of the floor level in Kuala Lumpur had prevented the price there from reflecting the tone on the LME, where prices had responded to substantial exchange rate changes.

On the LME yesterday the cash standard tin price fell £70 to £9,265 a tonne under the influence of sterling's continued recovery against the dollar. Dealers said the market steadied after an early fall as the failure of the market to make a renewed test of recent lows prompted speculators to cover against earlier short sales.

Currency factors also led to further falls in other LME base metals quotations. The biggest fall was registered in the copper market, where the cash high grade quotation lost another £31 to close at £1,222 a tonne. The heavy liquidation was attributed to the lack-lustre performance of U.S. futures as well as the dollar's decline. Speculative buying was attracted at the reduced price levels, however, and the market closed on a fairly firm note.

Reduced concern about the shortage of supplies available for immediate delivery was reflected in a narrowing in the cash premium over three months' delivery copper from £41.75 to £27.75 a tonne.

## Lord Mayor will launch freight futures today

BY JOHN EDWARDS, COMMODITIES EDITOR

*THE FIRST freight futures market* in the world will be launched by Sir Alan Traill, Lord Mayor of London, on the Baltic Exchange at 11 a.m. today.

Known as Biffex (the Baltic International Freight Futures Exchange), it will trade initially on a futures contract based on the Baltic Freight Index for bulk dry cargo goods such as grain, coal, iron ore, sugar and fertilisers.

Mr Paul Vogt, chairman of Biffex, said yesterday he expected most trading activity to come in the beginning from charterers, especially grain shippers, who had been pressing for the market to be launched for some years.

Shipowners were not used to the concept of futures trading, but they would probably come in at a later date. He thought there might also be some trade speculation, but there were unlikely to be many private speculators at this stage.

Biffex represents an attempt by the London futures industry *to try to establish a new market* to resist the growing competition from the U.S. exchanges.

Mr Vogt said that at a rough estimate • more than $10bn (£8bn) a year was spent on dry cargo freight alone, so there was a huge potential. A large proportion of this business was transacted through the Baltic Exchange, which set international spot freight rates.

If the bulk dry cargo futures contract proves successful, markets for oil tankers and other freight rates are likely to follow.

## Jamaican bauxite output down

By Canute James in Kingston

JAMAICA'S BAUXITE ore output fell 42.4 per cent in the first quarter of this year, compared with the corresponding period of last year. The Jamaica Bauxite Institute reported that in the three-month period production was 1.442m tonnes.

The industry is predicting total output of 6m tonnes this year, following 8.5m tonnes last year.

Earnings from the industry, of which Jamaica is the world's third largest producer, are expected to fall from last year's U.S.$220m (£177m) to about U.S.$145m.

## WEEKLY METALS

All prices as supplied by Metal Bulletin.

**ANTIMONY:** European free market, 99.6 per cent, $ per tonne, in warehouse, 2,750-2,900.

**BISMUTH:** European free market, minimum 99.99 per cent, $ per lb, tonne lots in warehouse, 5.60-6.00.

**CADIUM:** European free market, minimum 99.95 per cent, $ per lb, in warehouse, ingots, 0.87-0.93, sticks, 0.92-0.98.

**COBALT:** European free market, 99.5 per cent, $ per lb, in warehouse, 11.50-11.60.

**MERCURY:** European free market, minimum 99.99 per cent, $ per flask, in warehouse, 286-296.

**MOLYBDENUM:** European free market, drummed molybdic oxide, $ per lb Mo, in warehouse, 4.00-4.30.

market, drummed molybdic o

**SELENIUM:** European free market, minimum 99.5 per cent, $ per lb, in warehouse, 6.60-7.20.

**TUNGSTEN ORE:** European free market, standard minimum 65 per cent, $ per tonne unit $WO_3$, cif, 69-73.

**VANADIUM:** European free market, minimum 98 per cent $V_2O_5$, other sources, $ per lb cif, 2.37-2.42.

**URANIUM:** Nuexco exchange value, $ per lb $U_3O_8$, 15.00.

## Wheat should recover from poor start

### Farmer's viewpoint: by John Cherrington

IT USED to be said that a good winter wheat crop should show enough growth by the last week in March to hide a hare. I was walking through one of my fields last week and could clearly see a hare hopping along in front of me and another crouched in its form some 30 yards away.

The plant was sparser than I like to see it, obviously frost had killed off some seedlings and there were definite gaps in some of the rows. In fact it looked very much like the sort of crop grown 40 years ago before modern technology in the form of plant breeding, fertilisers and weedkillers took over our lives and made the growing of poorish crops a matter of shame and not bad luck.

So accustomed are we now to tales of enormous yields of 3 to 4 tonnes an acre—tales often told in conferences and pubs and not supported by much evidence that would stand up in a court of law—that we worry unduly, I think, that we are not keeping up with the farming Jones's.

I am not too worried about the apparent thinness. There are a few completely bare patches where perhaps water lay or the snow had blown off leaving the frost to do its worst in lifting the surface and breaking the plant away from its roots. But it is a matter of fine judgment to decide whether it would be more profitable to leave a thin crop or plough it up and plant again.

I have also noticed shade damage for the first time. There are of course no leaves yet on the woods and rows around my fields, but they have been throwing sufficient shade from the low winter and spring sun for some boundaries to show a definite retarding of growth compared with those areas which the sun, however weak, could reach. This was particularly true last week when the very cold air was driven along by a nasty north-east wind.

By contrast with the wheat the winter barley, generally considered the more sensitive plant, has come through the winter very well. This apparently, has not been the case in Denmark where about two-thirds of the crop are reported to have needed resowing. My early spring-sown barley and oats look quite well, but again the effect of shade can clearly be seen.

The real problem is the grass which although well fertilised is showing little sign of growth. Even the lawn, which usually begins to clamour for attention at this time of year, is making little progress. My pastures are particularly bare, and this shows up the flints with which my farm is over endowed. A week ago the grass was just beginning to grow against the sheep but they have got well on top of it again.

Ewes and lambs will always do well on short fresh grass, and mine, in spite of the winter, do not look too bad. But I have had to start feeding them with a concentrated feed again as the lambs are getting quite big and I am afraid of the ewes losing their milk. This is particularly frustrating as I had set aside a bigger area for the sheep than usual and until 10 days ago I thought I had got the equation just right.

The only good thing about the recent weather was the dryness. It enabled us to finish spraying and fertilising the cereals, and the sheep, which had been suffering, enjoyed having dry coats for a change.

When I remember how wet everything was for the first 10 days of April it seems churlish to complain about the present dry spell, but, part from warmer times to raise the soil temperatures, a good steady rain would be worth its weight in gold.

This is because much of my land became almost case hardened as it dried out. This is particularly so with a field of broad beans, being grown for seed, which was well beaten down after planting and where the germinating beans are having difficulty breaking through the surface. A good rain should help them get through into the light of day.

As to the prospects it is far too soon to become depressed. Wheat in particular has enormous powers of recuperation, sending out tillers which grow into ears to try and fill the empty spaces. What determines the yield is the size of the grain and not the number of ears to the square yard.

This has been known for a long time and I used to be told that if one could walk across a field in March and put a foot on a wheat plant with every step there would be enough to make a crop. Mine are certainly a good deal better than that.

The spring-sown barley, although backward for the time of year, is quite a good plant, as are the oats and the peas. I have a feeling that this year, for a change, the spring-sown crops are going to yield better than the winter-sown, simply because they have not had the checks to growth. Anyway the best has been done for them and the next move is up to the weather which is absolutely unpredictable.

## UK trawlermen seek £10m redundancy payment

FINANCIAL TIMES REPORTER

THE GOVERNMENT was accused yesterday of denying redundancy pay to up to 4,000 deep sea trawlermen who lost their jobs because of the industry's collapse which was triggered by the general move to 200-mile coastal limits and was exacerbated by Britain joining the European Community.

A delegation from the British Fishermen's Association met *ministers to* plead for a £10m special payment to redress the balance and also called for a change in the law to prevent a similar situation arising again.

Mr Will Unwin, vice-chairman of the association, said: "British fishermen have endured work conditions as arduous and hazardous as any. Now, robbed of work by the industry's collapse, they find they have been denied even the cold comfort of statutory redundancy pay."

The fishermen were told originally they could not claim redundancy pay because they were casual workers. This decision was overturned, in a test case but the Government still refused to pay redundancy, claiming the six-month deadline had passed since the men had lost their jobs.

"Whoever you blame, bad law, bad advisers, bad employment conditions, you cannot blame the fishermen," said Mr Unwin.

"Britain, at peace and war, owes a colossal debt to the courage and hard work of these men. It is the Government's duty to see fair play and to institute a special compensation scheme for these victims of bureaucracy."

Of the 119 trawlers sailing from Hull in 1973, only one remains. Owners of large trawlers had received de-commissioning payments from the EEC of up to £450,000. But, added Mr Unwin, the fishermen "have had a shabby deal and got nothing.

"The Government's argument that to make fishermen a special case would open the floodgates to other claims is nonsense. We are unable to identify any other group of similarly disadvantaged former workers."

● Greenpeace, the environmental group, has called for a world boycott of Norwegian fish and fish products because of its refusal to halt commercial whaling, reports Reuter.

Greenpeace said Norway would be the last whaling nation in the West if Japan stood by its offer to halt the practice by 1988. Norway said it would resist all efforts to force it to halt commercial whaling, since the whales caught were not an endangered species.

# LONDON MARKETS

COCOA PRICES on the London futures market fell sharply yesterday as currency, technical and fundamental factors put values under pressure. The July quotation ended £50 lower at £1,830.50 a tonne.

Sterling's continued recovery against the dollar remained the dominant influence, but dealers said the fall also reflected overnight weakness in the New York market, bearish chart and supply-demand factors and expectations of heavy tenderings of physical cocoa against contracts in the expiring May position which has its first notice day today.

Coffee futures were also down, but less sharply.

## MAIN PRICE CHANGES

In tonnes unless otherwise stated

| METALS | Apr. 30 1985 | + or − | Month ago |
|---|---|---|---|
| Aluminium | £1100 | ...... | £1100 |
| Free Mkt | $1150/180 | ...... | $1125/145 |
| Copper | | | |
| Cash h Grade | £1222.0 | −31 | £1155.5 |
| 3 mths | £1184.25 | −17 | £1175 |
| Gold troy oz | $321 | −2.5 | $321 |
| Lead Cash | £310.5 | −3.0 | £305 |
| 3 mths | £305.25 | −2.25 | £314.25 |
| Nickel | | | |
| Free Mkt | 248/278c | +6.0 | 236/268c |
| Palladium oz | $114.10 | +3.85 | $118.50 |
| Platinum oz | $264.70 | +4.95 | $274.25 |
| Quicksilver† | $280/290 | ...... | $285/288 |
| Silver troy oz | 506.00p | +0.10 | 522.65p |
| 3 mths | 523.50p | +0.40 | 546.35p |
| Tin cash | £9265 | −70 | £9687.5 |
| 3 mths | £9232.5 | −75 | £9686.5 |
| Tungsten | $77.70 | ...... | $78.70 |
| Wolfram 22.04lb | $72/74 | ...... | $76/78 |
| Zinc | £704 | −5 | £790.5 |
| 3 mths | £701.25 | −6.25 | £786.5 |
| Producers | $960 | ...... | $925 |

| OILS | Apr. 30 1985 | + or − | Month ago |
|---|---|---|---|
| Coconut (Phil) | $765w | ...... | $850 |
| Palm Malayan | $680y | [illegible] | $650 |
| SEEDS | | | |
| Copra Phil | $480x | ...... | $500 |
| Soyabean (U.S.) | $250.25 | ...... | $252.1 |
| GRAINS | | | |
| Barley Fut. Sep | £98.70 | +0.15 | £98.40 |
| Maize | £150.5 | −0.5 | £152.50 |
| Wheat Fut. July | £124.05 | +0.25 | £124.75 |
| No. 3 Hard Wint. | ‡ | ...... | ‡ |
| OTHERS | | | |
| Cocoa Ft. July | £1830.5 | −50 | £1973.5 |
| Coffee Ft. July | £2160.0 | −6 | £2247.5 |
| Cotton A Index | 60.10c | +0.05 | 67.60c |
| Gas Oil May | $225.75 | +0.50 | $251.5 |
| Rubber (kilo) | 66p | ...... | 65.5p |
| Sugar (raw) | $96.00wz | −1.50 | $108.5 |
| Wooltops 64s | 475p | ...... | 482pkil |

‡ Unquoted. w April-May. x May-June. z June. y May. † Per 76-lb flask. c Cents a pound.

## COPPER

| COPPER | a.m. Official | + or − | p.m. Unofficial | + or −† |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 1228-9 | −33.5 | 1221-3 | −31 |
| 3 months | 1187-8 | −14.2 | 1194-.5 | −17 |
| Settlem't | 1029 | −34 | — | — |
| Cathodes | | | | |
| Cash | 1192-4 | −10 | 1120-2 | −8 |
| 3 months | 1181-3 | −10 | 1186-90 | −8 |
| Settlem't | 1194 | −15 | — | — |

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1224, 27, 28, three months £1198, 96, 94, 95, 96, 97. Cathodes: Cash £1195. Kerb: Higher Grade: Three months £1198, 99, 1200, 1199. Afternoon: Higher Grade: Cash £1213, three months £1194, 93, 91, 90, 90.5, 90, 91, 94, 94.5. Kerb: Higher Grade: Three months £1193, 92, 91, 90, 89, 88, 87, 86, 85.5, 85, 85.5. Turnover: 24,950 tonnes. U.S. Producers: 66.50-74.00 cents per pound.

## TIN

| TIN | a.m. Official | + or − | p.m. Unofficial | + or −† |
|---|---|---|---|---|
| High Grde | £ | £ | £ | £ |
| Cash | 9930-5 | −197 | 9260-70 | −75 |
| 3 months | 9100-200 | −125 | 9260-60 | −76 |
| Settlem't | 9868 | −110 | — | — |
| Standard | | | | |
| Cash | 9030-5 | −182 | 9260-70 | −70 |
| 3 months | 9190-5 | −197 | 9230-5 | −78 |
| Settlem't | 9235 | −105 | — | — |
| Straits, E. | $27.80 | | — | — |

Tin—Morning: Standard: Three months £9220, 10, 05, 9200, 9190. High Grade: Three months £9195. Kerb: Standard: Three months £9210, 15, 20, 25. Afternoon: Standard: Three months £9210, 20, 30, 35, 30. Kerb: Standard: Three months £9240. Turnover: 1,220 tonnes.

## LEAD

| LEAD | a.m. Official | + or − | p.m. Unofficial | + or −† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 311-2 | −2 | 310-11 | −3 |
| 3 months | 304-.5 | −5 | 304.5-6 | −2.25 |
| Settlem't | 312 | −2 | — | — |

Lead—Morning: Cash £314.5, 12, three months £307, 06, 07, 06, 05, 04, 00. Kerb: Three months £305. Afternoon: Three months £304, 00. Kerb: Three months £305, 04.5, 04. Turnover: 7,600 tonnes. U.S. Spot: 20-21 cents per pound.

## ZINC

| ZINC | a.m. Official | + or − | p.m. Unofficial | + or −† |
|---|---|---|---|---|
| | £ | £ | | £ |
| Cash | 701-2 | −12.5 | 703-5 | −5 |
| 3 months | 698.5 | −9.25 | 701-5 | −6.25 |
| Settlem't | 700 | −6 | — | — |

Zinc—High Grade Official/Unofficial prices: Cash am £722-£725, pm £723-£728. Three months am £720-£723, pm £721-£724: Settlement £725. Morning: Three months £699, 700, 699, 98. Kerb: Three months £698.5, 99, 700. Afternoon: Three months £700, 01, 02, 01. Kerb: Three months £699, 700, 699. Turnover 7,775 tonnes. U.S Prime Western: 46.50-47.75 cents per pound

## ALUMINIUM

| Alumin'm | a.m. Official | + or − | p.m. Unofficial | + or −† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 698.0 | −12 | 896-7 | −13.7 |
| 3 months | 911-.0 | −14 | 914-5 | −11 |

Aluminium—Morning: Cash £899, 98, three months £914, 14.5, 11, 12, 13, 11, 10.5, 11. Kerb: Three months £914, 15, 14. Afternoon: Three months £915, 14.5, 13, 14. Kerb: Three months £913, 12, 11.5, 11, 10, 10.5, 11. Turnover: 16,450 tonnes.

## GOLD

Gold fell $2½ an ounce from Monday's close in the London bullion market yesterday to finish at $320¾-$321¼. The metal opened at $324¾-$325¼ and traded between a high of $325¾-$326 and a low of $319¾-$320. Disappointing U.S. economic data pushed gold to the day's high during the afternoon but the firmer levels attracted a fair degree of profit taking and the metal fell back as a result.

GOLD BULLION (fine ounce) Apr. 30

| | | |
|---|---|---|
| Close | $320¾-321¼ | (£258-259) |
| Opening | $324¾-325¼ | (£260-260½) |
| M'n'g fix | $324.65 | (£261.505) |
| Aft'n'n fix | $321.30 | (£257.809) |

GOLD AND PLATINUM COINS

| | | |
|---|---|---|
| Kr'g'r'nd | $330¼-330¾ | (£265¾-266) |
| ½ Krug | $170¼-170¾ | (£137-137¼) |
| ¼ Krug | $87-87½ | (£70-70½) |
| 1/10 Krug | $35½-36 | (£28½-29) |
| Mapleleaf | $330½-331 | (£266-266¼) |
| New Sov. | $76-76½ | (£61¼-61½) |
| ½ New Sov | $46-46½ | (£37-37½) |
| Old Sov. | $76½-78 | (£61¾-63) |
| $20 Eagle | $440-480 | (£354-386¼) |
| Noble Plat | $280½-290 | (£226½-235¼) |

## SILVER

Silver was fixed 0.1p an ounce higher for spot delivery in the London bullion market yesterday at 506p. U.S. cent equivalents of the fixing levels were: spot 632.2c, up 8c; three-month 645.8c, up 8.9; six-month 660c, up 0.35c; and 12-month 692.75c, up 8.55c. The metal opened at 507½-510½p (634-637c) and closed at 504½-507½p (626-629c)

| SILVER per troy oz | Bullion fixing price | + or − | L.M.E. p.m. Unoffic'l | + or − |
|---|---|---|---|---|
| Spot | 506.00p | +0.10 | 502.5p | −7.0 |
| 3 months | 523.50p | +0.40 | 518.5p | −7.5 |
| 6 months | 532.30p | +0.35 | — | — |
| 12 months | 557.60p | +0.15 | — | — |

LME—Turnover: 70 (96) lots of 10,000 oz.

Morning: Large 2nd ring three months 523. Kerb: Three months large 523.5. Afternoon: Large 1st ring three months 520, 2nd ring large three months 520, 19, 18, 17, 18. Kerb: Large three months 519.

## NICKEL

| NICKEL | a.m. Official £ | + or − £ | p.m. Unofficial £ | + or −† £ |
|---|---|---|---|---|
| Spot | 4540-5 | +62.5 | 4430-40 | +35 |
| 3 months | 4470-80 | +10 | 4460-70 | −12.5 |

Nickel—Morning: Cash £4540, 50, three months £4510, 05, 4490, 85, 80, 75, 70. Kerb: Cash £4540, 50, three months £4480, 70, 75, 70. Afternoon: Cash £4520, 30, three months £4490, 70. Kerb: Cash £4535, 30, three months £4470. Turnover: 1,422 tonnes.

## COCOA

Values declined sharply during an active day and closing prices were £60.00 below the previous evening. Physical interest was restricted to light scale down consumer offtake, reports Gill and Duffus.

| COCOA | Yesterday's Close £ per tonne | + or − | Business Done |
|---|---|---|---|
| May | 1790-1800 | −69.5 | 1858-1788 |
| July | 1830-1831 | −59.0 | 1870-1824 |
| Sept. | 1810-1913 | −40.0 | 1844-1805 |
| Dec. | 1784-1786 | −14.5 | 1805-1780 |
| Mar. | 1785-1786 | −14.5 | 1800-1780 |
| May | 1787-1800 | −11.0 | 1804-1798 |
| July | 1790-1816 | −17.0 | — |

Sales: 7,322 (2,298) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for April 30: 97.22 (95.10); five-day average for May 1: 97.62 (98.12).

## COFFEE

*With the dollar under pressure on foreign exchanges* coffee futures opened on the defensive, reports Drexel Burnham and Lambert. In quiet conditions prices steadied marginally throughout the morning session due to trade short-covering but volume remained poor. In the afternoon prices moved in a narrow range as New York "C" contract remained steady, but continued to restrict market volume. Prices lack of physical market activity ended £6-17 down on the day.

| COFFEE | Yesterd'ys Close | + or − | Business Done |
|---|---|---|---|
| May | 2106-10 | −9.0 | 2120-00 |
| July | 2160-61 | −2.0 | 2165-01 |
| Sept. | 2194-00 | −11.0 | 2206-90 |
| Nov. | 2210-20 | −11.0 | 2229-14 |
| Jan | 2225-34 | −10.0 | 2236-26 |
| March | 2210-20 | −12.0 | 2217-17 |
| May | 2190-30 | −12.5 | — |

Sales: 2,604 (2,609) lots of 5 tonnes.

ICCO indicator prices (U.S. cents per pound) for April 29: Comp daily 1979 132.70 (132.23); 15-day average 131.53 (131.53).

## COTTON

Spot and shipment sales in Liverpool amounted to 347 tonnes bringing the total for the week so far to 414 tonnes. Fair trading developed mostly in American varieties. Colombian and Pakistani growths also moved off steadily.

## INDICES

FINANCIAL TIMES

| April 29 | April 26 | M'th ago | Year ago |
|---|---|---|---|
| 297.60 | 297.71 | 294.95 | 305.89 |

(Base: July 1 1952 = 100)

REUTERS

| Apr. 30 | Apr. 29 | M'th ago | Year ago |
|---|---|---|---|
| 1884.9 | 1895.5 | 1083.9 | 1990.5 |

(Base: September 18 1931 = 100)

MOODY'S

| Apr. 29 | Apr. 26 | M'th ago | Year ago |
|---|---|---|---|
| 937.9 | 940.5 | 960.1 | 1065.6 |

(Base: December 31 1931 = 100)

DOW JONES

| Dow Jones | Apr. 29 | Apr. 26 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 119.68 | 118.69 | 120.54 | 132.28 |
| Fut. | 122.57 | 100.75 | 124.26 | 140.26 |

(Base: December 31 1974 = 100)

## GRAINS

Old crop market reached £50 up on good physical demand but eased late in the day on profit taking. New crops wheat market came under pressure from stale longs but regained partial losses from shipper buying with barley a little steadier in a narrow range, reports Muirpace.

| Mnth | WHEAT Yesterd'ys close | + or − | BARLEY Yesterd'ys close | + or − |
|---|---|---|---|---|
| May | 120.70 | +0.55 | 115.55 | +0.10 |
| July | 104.05 | +0.25 | — | — |
| Sept. | 99.50 | −0.10 | 98.70 | +0.10 |
| Nov | 100.40 | +0.15 | 102.16 | +0.15 |
| Jan | 105.05 | −0.10 | 106.05 | +0.25 |
| Mar. | 102.60 | −0.15 | 100.10 | +0.25 |

Business done—Wheat: May 120-95-0.85, July 124.30-4.00, Sept 99.45-9.10, Nov 102.55-2.20, Jan 106.15-5.80. Sales: 317 lots of 100 tonnes. Barley: May 115.50-5.35, Sept 95.75-8.70, Nov 102.15, 2.10, Jan 100.65-5.55. Sales: 54 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark northern spring No 1 15 per cent, April/May 156.45, June 154.40, July 154.90, Aug 149.45, sellers transhipment East Coast. U.S. No 2 Soft red winter, May 144.25, June 137.25, July 133.50, Aug 134.75, sellers. English Feed fob, June 125.50, Sept 101, Oct/Dec 100.60, *sellers East Coast. Maize:* U.S. No 3 Yellow/French, transhipment East Coast May 150.90. Barley: English Feed fob, May 116.50. Scot 101.50, sellers Scotland. Rest unquoted.

## PIGMEAT

Prices remained steady in light volume with continued fresh buying and light trade selling, reports CCST *Commodities*.

| Month | Yesterdays close | Previous close | Business done |
|---|---|---|---|
| | p. per kilo (deadweight) | | |
| June | 103.90 | 103.80 | 104.10-103.90 |
| Aug. | 100.50 | 100.20 | 100.50-100.55 |
| Oct | 106.00 | 106.10 | 106.20-106.20 |
| Nov | 106.30 | 106.20 | 106.40-106.20 |
| Feb | 92.40 | 92.50 | 96.80 |
| April | 100.00 | 99.90 | — |

Sales: 54 (24) lots of 50 carcases, 3,250 kg.

## POTATOES

After a strong start, with April trading at £55.00, selling pressure in thin market pushed levels down by £10 to close last traded at £45.00. With April expiring at this level it was difficult to justify May (which becomes tenderable on 1.6.85), maintaining a premium of £7.00-8.00 selling interest subsequently pushed this down to close near the days lows with the tone being weak. New crop was quiet, virtually unchanged at the days ends, reports Coley and Harper.

| Month | Yesterday's close | Previous close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| April | 50.00 | 56.00 | 55.00-45.00 |
| May | 61.00 | 64.20 | 65.00-60.00 |
| Nov | 69.10 | 69.60 | 69.50-68.80 |
| Feb | 77.00 | 77.30 | — |
| Apr | 92.80 | 92.80 | 93.20-92.00 |

Sales: 414 (456) lots of 40 tonnes.

## OIL

LITTLE CHANGE on most grades in a quiet market. By noon EST Nymex WTI was 14 cents down. In the petroleum products market gas oil prices drifted downward due to good prompt supply and poor demand. Petroleum Argus London.

SPOT PRICES

| CRUDE OIL—FOB ($ per barrel)—May | Latest | Change + or − |
|---|---|---|
| Arab Light | 27.30-27.40* | — |
| Arab Heavy | 26.20-26.25* | — |
| Dubai | 26.25-26.35* | — |
| Brent Blend | 27.15-27.20 | — |
| W.T.I. (1pm est) | 27.50-27.55* | −0.20 |
| Forcados (Nigeria) | 27.60-27.75 | −0.10 |
| Urals (cif Med) | 27.00-27.10 | — |
| **PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)** | | |
| Premium gasoline | 284-286 | — |
| Gas Oil | 223-224 | −1 |
| Heavy fuel oil | 150-161 | — |

* June

Petroleum Argus estimates

GAS OIL FUTURES

| Month | Yest'day's Close $ U.S. per tonne | + or − | Business Done |
|---|---|---|---|
| April | — | — | 230.00-24.75 |
| May | 225.70 | +0.50 | 226.25-25.25 |
| June | 219.25 | −0.50 | 220.25-18.25 |
| July | 217.60 | −0.50 | 218.75-17.75 |
| Aug | 210.76 | — | 220.00-20.00 |
| Sep | 222.60 | +0.50 | 222.75-21.00 |
| Oct | 225.50 | −0.25 | — |

Turnover: 1,128 (1,174) lots of 100 tonnes.

## RUBBER

PHYSICALS—The London market opened quiet, attracted little interest throughout the day and closed very quiet, reports Lewis and Peat. Closing prices (buyers) spot 66.00p (same). June 68.50p (69.00p). July 69.00p (69.50p). The Kuala Lumpur fob price for RSS No 1 was 192.00 (192.25) cents a kg and for SMR 20 was 187.0 (187.5).

## SOYABEAN MEAL

The London soya market opened 50p easier in a lack lustre trade, reports T. G. Roddick. Good volume traded in narrow range as prices eased throughout the day to close around 1.50p down.

| | Yesterday close £ per tonne | + or − | Business Done |
|---|---|---|---|
| June | 124.5-124.8 | −0.95 | 124.7-124.8 |
| August | 122.4-122.6 | −0.10 | 122.6-122.5 |
| October | 124.8-125.5 | −1.85 | 126.7-125.0 |
| Dec | 128.8-129.1 | −2.05 | 129.5-129.5 |
| Feb | 154.8-156.9 | −1.30 | — |
| Apr | 155.8-156.2 | −1.80 | — |
| June | 154.5-156.5 | −2.55 | — |

Sales: 258 (864) lots of 20 tonnes.

## SUGAR

LONDON DAILY PRICES—Raw sugar $96.00 (£77.50), up $1.50 (up £0.50) a tonne for April/May/June delivery. White sugar $132.00, up $1.00.

The market remained on the defensive under the issuance of the May liquidation against which 10,700 tons of Central American were delivered, reports C. Czarnikow.

| No. 6 Contract | Yest'day's close | Previous close | Business done |
|---|---|---|---|
| | $ per tonne | | |
| May | — | 97.4-98.0 | 97.4-96.5 |
| Aug | 107.8-107.8 | 105.2-105.6 | 107.8-105.2 |
| Oct | 111.2-111.8 | 109.6-110.0 | 111.8-110.0 |
| Dec | 116.2-117.0 | 115.4-115.6 | 116.0-115.0 |
| Mar | 128.8-128.0 | 126.0-127.5 | 128.0-127.4 |
| May | 133.4 | 131.8-132.8 | — |
| Aug | 137.2-139.8 | 135.9-136.0 | — |

Sales: 1,686 (1,892) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £195.00 (£164.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for April 29: Daily price 3.05 (3.07); 15-day average 3.35 (3.38).

# U.S. MARKETS

PRECIOUS metals were lower on weaker currencies and in response to weak economic data, reports Heinold Commodities. Silver attracted additional selling on the recent increase in Comex warehouse stocks. Copper also reacted to the negative economic data and weakened along with precious metals as sell stops were elected. Sugar attracted buying on short covering ahead of May's expiration and the issuance of large numbers of exchange for-physicals. Good availability of prompt supplies sparked a sell-off in cocoa which triggered sell-stops. Coffee attempted an early rally but failed to follow through and later retraced recent gains. Cotton was supported on continued concern over availability of deliverable supplies. Crude oil was again the weak link in the petroleum complex on good availability of foreign crudes. Petroleum products were mixed with nearby months higher on short covering ahead of expiration of May contracts. Expected flat demand pressured unleaded gasoline. Professional selling in soyabeans put pressure in the entire grain complex. Weak currencies were a factor in the declines.

## NEW YORK

ALUMINIUM 40,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 4785 | 4825 | 4775 | 4835 |
| June | 4820 | — | — | 4880 |
| July | 4860 | 4960 | 4830 | 4925 |
| Sept | 4940 | 4990 | 4940 | 5005 |
| Dec | 5060 | 5085 | 5070 | 5125 |
| Jan | 5100 | — | — | 5166 |
| March | 5180 | — | — | 5245 |
| May | 5260 | — | — | 5325 |
| July | 5340 | — | — | 5405 |
| Sept | 5420 | — | — | 5485 |

COCOA 10 tonnes, $/tonnes

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 2357 | 2416 | 2347 | 2405 |
| July | 2093 | 2144 | 2086 | 2150 |
| Sept | 2054 | 2088 | 2050 | 2089 |
| Dec | 2027 | 2058 | 2025 | 2050 |
| March | 2027 | 2065 | 2025 | 2048 |
| May | 2027 | — | — | 2048 |
| July | 2027 | — | — | 2048 |

COFFEE "C" 37,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 145.80 | 147.20 | 148.70 | 145.99 |
| July | 148.67 | 147.93 | 145.65 | 147.61 |
| Sept | 145.65 | 147.25 | 145.50 | 147.25 |
| Dec | 144.01 | 140.40 | 144.50 | 145.01 |
| March | 144.00 | 148.00 | 144.00 | 145.50 |
| May | 143.00 | — | — | 145.00 |
| July | 142.00 | — | — | 143.88 |

COPPER 25,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 60.96 | 62.85 | 66.90 | 62.66 |
| June | 61.45 | 62.00 | 61.20 | 63.45 |
| July | 61.00 | 63.00 | 61.75 | 63.95 |
| Sept | 62.50 | 64.50 | 62.50 | 64.65 |
| Dec | 62.90 | 64.85 | 63.00 | 64.90 |
| Jan | 63.00 | — | — | 65.00 |
| March | 63.28 | 65.20 | 63.40 | 65.20 |
| May | 63.55 | 65.10 | 64.20 | 65.45 |
| July | 63.80 | 65.65 | 64.65 | 65.65 |
| Sept | 54.05 | 66.05 | 65.00 | 66.30 |

COTTON 50,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 66.40 | 66.96 | 66.25 | 66.28 |
| July | 65.02 | 65.55 | 64.94 | 65.25 |
| Oct | 64.76 | 64.85 | 64.71 | 64.80 |
| Dec | 64.62 | 64.98 | 64.77 | 64.81 |
| March | 65.97 | — | — | 65.97 |
| May | 66.25 | 66.75 | 66.70 | 66.57 |
| July | 67.20 | 67.50 | 67.20 | 67.50 |

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 27.66 | 27.67 | 27.51 | 27.68 |
| July | 27.12 | 27.14 | 26.98 | 27.12 |
| August | 26.91 | 26.92 | 25.79 | 26.91 |
| Sept | 28.77 | 26.80 | 26.65 | 26.80 |
| Oct | 26.75 | 28.76 | 25.70 | 26.75 |
| Nov | 26.60 | 26.65 | 26.59 | 28.80 |
| Dec | 26.75 | 26.78 | 26.55 | 28.80 |
| Jan | 25.65 | — | — | 26.79 |
| Feb | 26.79 | — | — | 26.79 |
| March | 28.79 | — | — | 28.79 |

GOLD 100 troy oz, $/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 314.7 | 315.0 | 315.0 | 325.1 |
| June | 316.6 | 326.0 | 316.0 | 327.2 |
| July | 319.7 | — | — | 329.4 |
| August | 320.7 | 330.8 | 318.0 | 331.5 |
| Oct | 325.1 | 333.6 | 324.3 | 336.9 |
| Dec | 329.0 | 339.0 | 328.0 | 341.1 |
| Feb | 335.2 | 342.7 | 334.6 | 346.6 |
| April | — | — | — | — |
| June | 346.4 | — | — | 358.1 |
| August | 352.3 | — | — | 364.2 |
| Oct | 358.3 | 368.5 | 357.0 | 370.4 |
| Dec | 364.9 | 370.0 | 369.5 | 377.2 |
| Feb | 371.7 | — | — | 384.2 |

HEATING OIL 42,00 U.S. gallons; cents/U.S. gallons

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 70.50 | 70.00 | 74.70 | 74.64 |
| June | 72.15 | 72.25 | 71.50 | 71.84 |
| July | 70.69 | 70.70 | 69.95 | 70.32 |
| August | 70.90 | 71.25 | 70.55 | 70.90 |
| Sept | 72.25 | 72.25 | 71.55 | 71.80 |
| Oct | 73.10 | 73.10 | 72.50 | 72.80 |
| Nov | 73.80 | 73.50 | 73.50 | 73.00 |
| Dec | 74.80 | — | — | 74.80 |
| Jan | 75.80 | — | — | 75.80 |
| Feb | 76.50 | — | — | 76.50 |

ORANGE JUICE 15,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 158.20 | 158.30 | 157.16 | 157.20 |
| Sept | 154.90 | 155.25 | 154.10 | 154.30 |
| Nov | 152.45 | 153.00 | 152.50 | 152.70 |
| Jan | 152.40 | 152.40 | 161.90 | 152.70 |
| March | 152.50 | 152.00 | 152.00 | 152.80 |
| May | 152.50 | — | — | 152.00 |
| July | 162.50 | — | — | 152.80 |

PLATINUM 50 troy oz, $/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | — | — | — | 285.6 |
| June | 271.2 | 281.0 | 270.0 | 286.6 |
| July | 273.2 | 288.0 | 273.0 | 288.6 |
| Oct | 278.0 | 292.5 | 277.6 | 293.5 |
| Jan | 284.0 | 295.5 | 284.0 | 299.5 |
| April | 290.6 | 303.0 | 292.0 | 306.1 |

SILVER 5,000 troy oz, cents/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 610.0 | 634.0 | 614.0 | 636.0 |
| June | 620.0 | 630.0 | 630.0 | 640.0 |
| July | 624.0 | 642.0 | 622.0 | 644.0 |
| Sept | 633.0 | 651.0 | 630.0 | 653.2 |
| Dec | 648.0 | 666.0 | 646.0 | 668.4 |
| Jan | 653.5 | — | — | 673.9 |
| March | 663.5 | 677.5 | 662.5 | 684.4 |
| May | 674.5 | — | — | 695.5 |
| July | 686.0 | 708.0 | 700.0 | 707.0 |
| Sept | 699.1 | 712.0 | 700.0 | 720.3 |

SUGAR WORLD "11" 112,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 3.25 | 3.30 | 3.00 | 3.16 |
| July | 3.55 | 3.59 | 3.46 | 0.47 |
| Sept | 3.74 | 3.76 | 3.63 | 3.66 |
| Oct | 3.89 | 3.90 | 0.79 | 3.79 |
| Jan | 4.27 | — | — | 4.16 |
| March | 4.71 | 4.72 | 4.61 | 4.61 |
| May | 4.94 | 4.94 | 4.84 | 4.82 |
| July | 6.12 | 6.10 | 6.00 | 6.01 |

## CHICAGO

LIVE CATTLE 40,00 lb; Cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 62.65 | 63.87 | 62.45 | 63.85 |
| August | 63.87 | 64.77 | 63.65 | 64.77 |
| Oct | 62.65 | 63.30 | 62.60 | 63.32 |
| Dec | 63.87 | 64.50 | 63.95 | 64.50 |
| Feb | 64.62 | 65.05 | 64.55 | 65.05 |
| April | 66.20 | 66.20 | 65.80 | 66.20 |

LIVE HOGS 30,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 46.30 | 47.12 | 49.15 | 46.85 |
| July | 49.22 | 49.87 | 49.20 | 49.77 |
| August | 49.90 | 50.60 | 49.80 | 50.57 |
| Oct | 47.17 | 47.60 | 47.05 | 47.42 |
| Dec | 48.42 | 48.90 | 48.40 | 49.70 |
| Feb | 49.00 | 49.50 | 48.95 | 49.37 |
| April | 46.37 | 46.45 | 46.00 | 49.45 |
| June | 48.70 | 48.70 | 48.40 | 48.40 |
| July | 49.00 | 49.00 | 49.00 | 48.00 |

MAIZE 5,000 bu min, cents/56lb-bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 283.2 | 285.2 | 281.8 | 284.6 |
| July | 279.6 | 282.0 | 279.0 | 281.6 |
| Sept | 270.0 | 272.0 | 269.0 | 271.4 |
| Dec | 264.2 | 266.0 | 264.0 | 265.4 |
| March | 272.6 | 274.0 | 272.2 | 273.9 |
| May | 279.0 | 279.2 | 277.6 | 279.8 |
| July | 280.4 | 280.4 | 279.6 | 281.4 |

PORK BELLIES 38,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 65.86 | 66.60 | 65.60 | 66.30 |
| July | 66.85 | 65.15 | 66.70 | 67.87 |
| August | 65.95 | 67.10 | 65.85 | 66.65 |
| Feb | 73.10 | 73.77 | 72.70 | 73.80 |
| March | 73.32 | 73.32 | 72.70 | 73.32 |
| May | 73.70 | 73.75 | 73.70 | 73.70 |
| July | 74.25 | 74.25 | 74.25 | 74.60 |

SOYABEANS 5,000 bu min, cents 60lb-bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 588.0 | 594.2 | 585.0 | 592.8 |
| July | 594.4 | 602.0 | 592.4 | 601.2 |
| August | 597.2 | 604.6 | 595.4 | 604.0 |
| Sept | 598.8 | 606.0 | 597.0 | 606.0 |
| Nov | 607.2 | 615.0 | 603.4 | 615.2 |
| Jan | 617.0 | 625.0 | 616.0 | 626.4 |
| March | 629.0 | 636.4 | 626.0 | 638.0 |
| May | 638.4 | 644.0 | 634.0 | 645.4 |
| July | 645.0 | 649.0 | 642.0 | 651.4 |

SOYABEAN OIL 60,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 32.53 | 33.20 | 32.21 | 32.97 |
| July | 31.45 | 31.90 | 30.97 | 31.73 |
| August | 30.97 | 31.05 | 30.25 | 30.92 |
| Sept | 29.93 | 30.30 | 25.45 | 30.23 |
| Oct | 28.05 | 29.30 | 28.70 | 29.40 |
| Dec | 28.32 | 28.70 | 27.90 | 25.66 |
| Jan | 28.00 | 28.45 | 27.73 | 25.30 |
| March | 27.70 | 28.20 | 27.50 | 28.10 |
| May | 27.20 | — | — | 27.33 |

SOYABEAN MEAL 100 tons, $/ton

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 120.6 | 121.7 | 120.1 | 121.4 |
| July | 128.6 | 127.0 | 126.2 | 127.5 |
| August | 128.6 | 130.6 | 129.1 | 130.5 |
| Sept | 132.1 | 133.5 | 132.1 | 133.0 |
| Oct | 135.4 | 136.0 | 134.5 | 136.0 |
| Dec | 140.8 | 141.7 | 140.2 | 141.4 |
| Jan | 143.2 | 144.2 | 143.0 | 143.5 |
| March | 148.7 | 150.0 | 148.5 | 149.8 |
| May | 152.8 | — | — | 154.5 |
| July | 166.8 | — | — | 159.0 |

WHEAT 5,000 bu min, cents/60lb-bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 349.0 | 349.0 | 345.0 | 347.4 |
| July | 327.0 | 328.0 | 326.0 | 327.0 |
| Sept | 327.2 | 327.4 | 325.6 | 326.8 |
| Dec | 337.2 | 337.4 | 335.6 | 336.6 |
| March | 341.5 | 342.2 | 340.0 | 347.0 |
| May | 338.2 | — | — | 337.4 |

## SPOT PRICES

SPOT PRICES—Chicago loose lard 21.90 (same) cents per pound. New York tin 536.0 (535.0) cents per pound. Handy and Harman silver bullion 628.5 (629.0) cents per troy ounce.

# OTHER MARKETS

## WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 630.0, 642.0, 645.0-640.0; July 656.0, 660.0, 660.0-655.0; Oct 638.0, 639.0, 660.0-640.0; Dec 638.0, 640.0, 642.0-638.0; Mar 642.0, 644.0, 647.0-645.0; May 648.0, 655.0, 655.0-650.0; July 651.0, 661.0, nil; Oct 630.0, 645.0, nil. Sales: 126.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business). New Zealand cents per kg. May 512, 516, 513-511; Aug 529, 531, 532-530; Oct 533, 534, 535-534; Dec 534, 535, 536; Jan 536, 537, 537-536; Mar 545, 547, 549-546; May 552, 553, 553-552; Aug 565, 567, 566; Oct 565, 568, nil. Sales: 122.

## MEAT

MEAT COMMISSION—Average fatstock prices at representative markets: GB—Cattle 97.08p per kg lw (+1.82); GB—Sheep 242.64p per kg est dcw (+3.89); GB—Pigs 80.13p per kg lw (+1.60)

SMITHFIELD MEAT—Pence per pound. Beef—Scotch killed sides 70.0-81.0; English hindquarters 97.0-100.0, forequarters 46.0-50.0; Veal—Dutch hinds and ends 125.0-128.0; Lamb—English small (new season) 118.0-125.0, medium (new season) 110.0-120.0, heavy (new season) 110.0-120.0; Imported: New Zealand PL (new season) 67.0-68.0, PX (new season) 65.0-66.5; Fat Sheep—English 93.0-100.5; Pork—English under 100 lb 49.0-66.0, 100-120 lb 50.0-65.0, 120-160 lb 40.0-48.0.

## PARIS

Sugar—(FFr per tonne). Aug 1280-1284; Oct 1300-1304; Dec 1336-1346; Mar 1410-1420; May 1465-1470; Aug 1525-1535.

# CURRENCIES, MONEY AND FINANCE

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## FOREIGN EXCHANGES

# Dollar weak in volatile trading

The dollar lost ground in currency markets yesterday but finished above the day's lows as higher U.S. interest rates offset disappointing economic data. Trading tended to be rather volatile and unsettled ahead of the month-end and May Day holidays in several financial centres. U.S. trade figures were around market predictions, while a 0.2 per cent fall in leading economic indicators was somewhat below market expectations.

However, a firmer Federal funds rate and fears concerning the latest Federal refunding package were sufficient to push the dollar up from a low of DM 3.0675 against the D-mark to finish at DM 3.0975, still down from Monday level of DM 3.1110. Elsewhere it finished easier at SwFr 2.5975 from SwFr 2.6115 and Y251.50 compared with Y252.65. Against the French franc it slipped to FFr 9.44 from FFr 9.49. On Bank of England figures, the dollar's exchange rate index fel from 147.3 to

STERLING — Trading range against the dollar in 1985 is 1.2940 to 1.0525. March average 1.1260. Exchange rate index 78.1 up from 77.6 on Monday but down from a high of 78.3. The six months ago figure was 74.8.

*Sterling* benefited from the dollar's decline and rose to a best level of $1.2500 before finishing at $1.2420-1.2430, a rise of 1.25c from Monday. It was also higher against the D-mark at DM 3.8525 from DM 3.8300 and Y312.75 from Y311.0. Against the Swiss franc it improved to SwFr 3.2300 from SwFr 3.2150 and FFr 11.7150 from FFr 11.70.

*D-MARK* — Trading range against the dollar in 1985 is 3.4510 to 2.9730. March average 3.2972. Exchange rate index 121.6 against 121.4 six months ago.

The dollar finished above the day's lows in nervous trading, despite an unexpected fall in U.S. March leading indicators. The dollar's recovery was based on previous market expectations of a disappointing figure, and renewed buying at around DM 3.07 helped the U.S. unit to recover. It finished at DM 3.0930

### EMS EUROPEAN CURRENCY UNIT RATES

| | Ecu central rates | Currency amounts against Ecu April 30 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc ... | 44.9008 | 45.0320 | +0.29 | +0.40 | ±1.5471 |
| Danish Krone ... | 8.14104 | 8.07752 | −0.78 | −0.67 | ±1.6413 |
| German D-Mark | 2.24184 | 2.23512 | −0.30 | −0.19 | ±1.1475 |
| French Franc ... | 6.87456 | 6.81764 | −0.83 | −0.72 | ±1.3669 |
| Dutch Guilder... | 2.52595 | 2.53353 | +0.30 | +0.41 | ±1.5171 |
| Irish Punt ...... | 0.72569 | 0.714631 | −1.52 | −1.41 | ±1.6673 |
| Italian Lira ...... | 1403.49 | 1429.73 | +1.87 | +1.87 | ±4.0410 |

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

### STERLING INDEX

| | April 30 | Previous |
|---|---|---|
| 8.30 am ...... | 77.0 | 77.0 |
| 9.00 am ...... | 78.1 | 77.2 |
| 10.00 am ...... | 78.0 | 77.5 |
| 11.00 am ...... | 78.0 | 77.6 |
| Noon ......... | 78.2 | 77.6 |
| 1.00 pm ...... | 78.3 | 77.7 |
| 2.00 pm ...... | 77.9 | 77.8 |
| 3.00 pm ...... | 78.2 | 77.6 |
| 4.00 pm ...... | 78.1 | 77.6 |

### £ IN NEW YORK

| | April 30 | prev. close |
|---|---|---|
| £ Spot | $1.2385-1.2400 | $1.2455-1.2475 |
| 1 month | 0.48-0.45pm | 0.47-0.45pm |
| 3 months | 1.20-1.16pm | 1.20-1.17pm |
| 12 months | 2.60-2.45pm | 2.60-2.50pm |

Forward premiums and discounts apply to the U.S. dollar.

### POUND SPOT—FORWARD AGAINST POUND

| April 30 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.2310-1.2500 | 1.2420-1.2430 | 0.47-0.44c pm | 4.39 | 1.18-1.13pm | 3.72 |
| Canada | 1.6920-1.7040 | 1.6930-1.6960 | 0.47-0.39c pm | 3.04 | 1.11-0.97pm | 2.45 |
| Nethlnd. | 4.31¾-4.37¾ | 4.34½-4.35½ | 2¼-2c pm | 5.86 | 6-5¾pm | 5.40 |
| Belgium | 76.86-77.56 | 77.40-77.50 | 24-18c pm | 3.23 | 62-53pm | 2.97 |
| Denmark | 13.82¾-13.95½ | 13.88¾-13.89¾ | 4¾-3⅝ore pm | 3.56 | 10¼-9pm | 2.75 |
| Ireland | 1.2210-1.2325 | 1.2265-1.2275 | 0.16p pm-0.01 dis | −0.73 | 0.26pm-.17d | −0.15 |
| W. Ger. | 3.81¾-3.85¾ | 3.84¾-3.85¾ | 2¼-2¼pf pm | 6.81 | 6½-6¼pm | 6.68 |
| Portugal | 214-218 | 215-217 | 135-515c dis | −18.06 | 490-1485dis | −18.19 |
| Spain | 214½-216½ | 215-216 | par-20c dis | −0.56 | 75-115dis | −1.76 |
| Italy | 2,436½-2,469¾ | 2,466-2,468 | 3 lire pm-1 dis | −0.49 | 1pm-5dis | −0.32 |
| Norway | 11.00¼-11.12 | 11.06¾-11.07¾ | par-⅝ore dis | −0.47 | ⅞-1⅜dis | −0.47 |
| France | 11.68¾-11.78¾ | 11.71-11.72 | 2⅜-1⅞c pm | 2.18 | 6¼-5¾pm | 2.01 |
| Sweden | 11.12¾-11.22¾ | 11.16¾-11.17¾ | ⅛-1¼ore dis | −1.01 | 3⅝-4dis | −1.30 |
| Japan | 310½-314½ | 312¾-313¾ | 1.80-1.70y pm | 6.91 | 4.90-4.80pm | 6.08 |
| Austria | 26.80-27.13 | 26.85-27.05 | 14½-12⅞gro pm | 5.80 | 36⅞-35¼pm | 5.33 |
| Switz. | 3.19¾-3.23½ | 3.22½-3.23½ | 2⅜-2c pm | 7.46 | 6-5⅞pm | 7.35 |

Belgian rate is for convertible francs. Six-month forward dollar 1.95-1.90c pm. 12-month 2.55-2.40c pm.

### DOLLAR SPOT—FORWARD AGAINST DOLLAR

| April 30 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.2310-1.2500 | 1.2420-1.2430 | 0.47-0.44c pm | 4.39 | 1.18-1.13pm | 3.72 |
| Ireland† | 1.0050-1.0185 | 1.0095-1.0105 | 0.37-0.27c pm | 3.80 | 1.05-0.75pm | 3.56 |
| Canada | 1.3638-1.3670 | 1.3655-1.3670 | 0.14-0.17c dis | −1.36 | 0.41-0.46dis | −1.27 |
| Nethlnd. | — | 3.4995-3.5005 | 0.43-0.39c pm | 1.49 | 1.45-1.41pm | 1.62 |
| Belgium | 61.86-62.42 | 62.25-62.35 | 6-7c dis | −1.25 | 15-17dis | −1.03 |
| Denmark | 11.09-11.22 | 11.17¼-11.17¾ | ½-1ore dis | −0.81 | 2-2½dis | −0.81 |
| W. Ger. | 3.0675-3.1090 | 3.0970-3.0980 | 0.71-0.65pf pm | 2.66 | 2.28-2.23pm | 2.92 |
| Portugal | 174-175½ | 174½-175½ | 175-475c dis | −22.32 | 850-1350dis | −21.75 |
| Spain | 172-173¾ | 172¾-173¼ | 67-75c dis | −4.93 | 225-255dis | −5.55 |
| Italy | 1,981-1,984 | 1,983-1,984 | 7-7½ lire dis | −4.41 | 22-22½dis | −4.53 |
| Norway | 8.87½-8.95½ | 8.95¼-8.95¾ | 3¼-3½ore dis | −4.71 | 9¼-9¾dis | −4.26 |
| France | 9.36½-9.46½ | 9.42¾-9.44¾ | 1.60-1.60c dis | −1.97 | 4.10-4.40dis | −1.80 |
| Sweden | 8.94½-9.00½ | 8.98¾-8.98¾ | 3½-4¼ore dis | −5.34 | 11-11½dis | −5.00 |
| Japan | 250.50-251.85 | 251.45-251.55 | 0.54-0.50y pm | 2.48 | 1.58-1.53pm | 2.47 |
| Austria | 21.58-21.83 | 21.68-21.75 | 4-3gro pm | 1.94 | 12½-9½pm | 2.03 |
| Switz. | 2.5650-2.6050 | 2.5970-2.5980 | 0.78-0.72c pm | 3.48 | 2.34-2.28pm | 3.57 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 62.45-62.55.

### OTHER CURRENCIES

| Apr. 30 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso.. | 552.54-553.93 | 443.81-444.81 | Austria.......... | 26.80-27.10 |
| Australia Dollar. | 1.9250-1.9510 | 1.5445-1.5490 | Belgium ......... | 77.25-78.15 |
| Brazil Cruzeiro.. | 6,176-6,210 | 4,960-4,980 | Denmark......... | 13.79-13.93 |
| Finland Markka. | 8.0236-8.0595 | 6.4630-6.4650 | France .......... | 11.64-11.76 |
| Greek Drachma. | 167.74-171.40 | 134.78-137.61 | Germany......... | 3.81½-3.84½ |
| HongKong Dollar | 9.6670-9.6770 | 7.7775-7.7795 | Italy ............ | 2430-2465 |
| Iran Rial.......... | 114.65* | 92.30* | Japan............ | 313-317 |
| KuwaitDinar(KD) | 0.3739-0.3745 | 0.30190-0.30205 | Netherlands...... | 4.31¼-4.35½ |
| Luxembourg Fr | 77.40-77.50 | 62.25-62.35 | Norway.......... | 11.04-11.15 |
| Malaysia Dollar. | 3.0710-3.0760 | 2.4710-2.4750 | Portugal......... | 212-223 |
| New Zealand Dlr. | 2.7500-2.7600 | 2.0000-2.2075 | Spain............ | 207-216 |
| Saudi Arab Riyal | 4.4712-4.4772 | 3.6105-3.6107 | Sweden.......... | 11.11-11.22 |
| Singapore Dollar | 2.7590-2.7650 | 2.2200-2.2250 | Switzerland...... | 3.12¼-3.22½ |
| Sth African Rand | 2.4030-2.4190 | 1.9400-1.9465 | United States.... | 1.23½-1.25½ |
| U.A.E. Dirham.... | 4.5477-4.5545 | 3.6720-3.6780 | Yugoslavia....... | 295-350 |

* Selling rate.

### CURRENCY MOVEMENTS

| Apr. 29 | Bank of England Index | Morgan Guaranty Change % |
|---|---|---|
| Sterling ............ | 78.1 | −11.6 |
| U.S. dollar......... | 146.7 | +51.6 |
| Canadian dollar.... | 88.3 | −6.6 |
| Austrian schilling.. | 112.3 | +3.9 |
| Belgian franc....... | 89.1 | −10.7 |
| Danish Kroner...... | 77.9 | −5.8 |
| Deutsche mark...... | [illegible] | [illegible] |
| Swiss franc......... | [illegible] | [illegible] |
| Guilder.............. | [illegible] | [illegible] |
| French franc........ | [illegible] | [illegible] |
| Lira.................. | [illegible] | [illegible] |
| Yen................... | [illegible] | [illegible] |

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

### CURRENCY RATES

| April 30 | Bank rate % | Special Drawing Rights | European Currency Unit |
|---|---|---|---|
| Sterling ...... | — | 3.726870 | 0.662452 |
| U.S. $........ | 8 | 0.991172 | 0.724272 |
| Canadian $ | 10.02 | * | 0.989565 |
| Austria Sch. | 4½ | 21.5329 | 16.7488 |
| Belgian Fr... | 11 | 61.7054 | 46.0320 |
| Danish Kr ... | 9 | 11.1011 | 8.07762 |
| Dmark....... | 4½ | 3.08292 | 2.26619 |
| Guilder...... | 9½ | N/A | 2.53353 |
| French Fr... | [illegible] | [illegible] | [illegible] |
| Lira.......... | [illegible] | [illegible] | [illegible] |
| Yen........... | [illegible] | [illegible] | [illegible] |
| Norway Kr.. | [illegible] | [illegible] | [illegible] |
| Spanish Pta. | [illegible] | [illegible] | [illegible] |
| Swedish Kr. | [illegible] | [illegible] | [illegible] |
| Swiss Fr.... | [illegible] | [illegible] | [illegible] |
| Greek Drch. | [illegible] | [illegible] | [illegible] |
| Irish Punt.. | [illegible] | [illegible] | [illegible] |

*CS/SDR rate for April 29: 1.35141.

### EXCHANGE CROSS RATES

| April 29 | Pound Sterling | U.S. Dollar | Deutschem'k | J'panese Yen | FrenchFranc | Swiss Franc | Dutch Guild | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.243 | 3.853 | 312.8 | 11.70 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| U.S. Dollar | 0.805 | 1. | 3.098 | 251.0 | 9.440 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Deutschemark | 0.260 | 0.323 | 1. | 81.18 | 3.041 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### EURO-CURRENCY INTEREST RATES (Market closing rates)

| Apr. 30 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | D-mark | French Franc | Italian Lira | Belgian Franc Conv. | Belgian Franc Fin. | Yen | Danish Krone |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Short term | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 7 day's notice | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Month | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Three months | 12⅝-12¾ | 8⅝-8¾ | 9⅞-10 | 7-7⅛ | 5⅛-5⅝ | 6⅛-6¼ | 10⅛-10⅜ | 12¾-13¼ | 9⅛-9⅝ | 9½-9⅝ | 6⅝-6⅞ | 9⅞-10⅛ |
| Six months | 12¼-12⅜ | 8⅞-9⅛ | 10¼-10½ | 7-7⅛ | 5⅛-5⅜ | 6⅜-6 | 10⅛-10⅜ | 13¾-14⅛ | 2½-2¾ | 9⅛-9⅝ | 6⅜-6⅞ | 10¼-10¾ |
| One year | 12⅛-12⅜ | 9⅛-9⅜ | 10¾-11 | 7-7⅛ | 5⅛-5⅝ | 6⅛-6¼ | 11-11¼ | 14¼-14¾ | 10-10¼ | 9⅞-10⅛ | 6⅜-6⅞ | 10¼-10¾ |

Asian $ (closing rates in Singapore): Short-term 8⅜-8½ per cent; seven days 8⅜-8½ per cent; one month 8⅜-8½ per cent; three months 8⅝-8¾ per cent; six months 8⅞-9 per cent; one year 9⅜-9½ per cent. Long-term Eurodollars: two years 10⅛-10⅜ per cent; three years 10⅞-11⅛ per cent; four years 11⅛-11⅜ per cent; five years 11⅛-11⅜ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

## MONEY MARKETS

# London rates little changed

Interest rates showed little change in quiet trading on the London money market yesterday. A stronger pound failed to make much impression on sentiment. The market is still hoping for 12 per cent base rates, but does not anticipate any change in the near future. Three-month interbank finished unchanged at 12⅝-12¾ per cent, and buying rates for three-month eligible bills were 12-12¹⁄₁₆ per cent compared with 12¹⁄₁₆ per cent previously.

The Bank of England forecast a money market shortage of £1,600m, but revised this to £1,650m in the afternoon. Total help provided by the authorities was £1,660m.

In an early round of assistance the Bank of England bought £616m bills, including £348m outright, by way of £31m bank bills in band 1 (up to 14 days maturity) at 12⅜ per cent; £1m Treasury bills in band 2 (15-33 days) at 12⅜ per cent; £2m local authority bills in band 2 at 12⅜ per cent; and £217m bank bills in band 2 at 12⅜ per cent; £76m bank bills in band 3 (34-63 days) at 12⅜ per cent; £16m local authority bills in band 4 (64-91 days) at 12 per cent; and £12m bank bills in band 4 at 12 per cent.

Another £268m bills were purchased for resale to the market on May 29 at 12⅜ per cent.

Further help of £877m was given before lunch, including £311m outright, through £251m bank bills in band 2 at 12⅜ per cent; £15m bank bills in band 3 at 12⅜ per cent; and £45m bank bills in band 4 at 12 per cent. Another £566m bills were purchased for resale to the market, in equal amounts on May 21 and May 29 at 12⅜ per cent.

In the afternoon £77m bills were bought outright, by way of £44m bank bills in band 2 at 12⅜ per cent; £11m bank bills in band 3 at 12⅜ per cent; £11m local authority bills in band 4 at 12 per cent; and £11m bank bills in band 4 at 12 per cent.

*Late assistance* of around £90m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £1,085m, with the unwinding of repurchase agreements on bills absorbing £1,059m. These outweighed exchequer transactions adding £420m to liquidity; a fall in the note circulation of £55m; and a net gain to the market of £205m from the roll over of yesterday's gilt rechurase agreement. The rate for month money applicable to the temporary facilities was 12¹³⁄₁₆ per cent.

UK clearing banks base lending rate 12¾-12⅞ per cent since Arpil 19

### LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

| Apr. 30 1985 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Company Deposits | Market Deposits | Treasury (Buy) | Treasury (Sell) | Eligible Bank (Buy) | Eligible Bank (Sell) | Fine Trade (Buy) |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 8-14¼ | 12⅞-13 | 11-13⅛ | 7-13¼ | — | — | — | — | — |
| 2 days notice | — | — | 12⅞-13⅛ | — | — | — | — | — | — | — |
| 7 days or... | — | — | — | — | — | — | — | — | — | — |
| 7 days notice | — | 12¾-16⅛ | 12¾-16⅛ | 13-13¼ | 12¾-12⅞ | — | — | — | — | — |
| One month | 12⅞-12¾ | 12¾-12⅞ | 12¾ | 13 | 12⅛ | 12⅛ | 12⅛ | 12⅛ | 12¼ | 12⅞ |
| Two months | 12¾-12⅝ | 12⅝-12⅞ | 12⅝ | 13 | 12⅛ | 12⅛ | 12⅛ | 12½-12⅞ | 12⅜ | 12⅞ |
| Three months | 12⅜-12⅞ | 12⅝-12¾ | 12¼ | 12⅞ | 11⅞ | 12 | 11⅞ | 12-12⅛ | 11⅞ | 12⅞ |
| Six months | 12⅛-12 | 12⅛-12⅛ | 12¼ | — | — | — | — | 11⅞ | 11⅞ | [illegible] |
| Nine months | [illegible] | [illegible] | [illegible] | — | — | — | — | — | — | — |
| One year | [illegible] | [illegible] | [illegible] | — | — | — | — | — | — | — |

### MONEY RATES

| April 30 | Frankfurt | Paris | Zurich | Amst'dam | Tokyo | Milan | Brussels | Dublin |
|---|---|---|---|---|---|---|---|---|
| Overnight | 5.90-6.00 | 10¼ | 2⅛-2⅝ | 7-7¼ | 5.15625 | 15¼-15⅝ | 5.90 | 12¾-16 |
| One month | 5.70-5.85 | 10⅛-10⅜ | 5¹⁄₁₆-5⅜ | 7-7⅛ | 6.28125 | 14¾-15⅛ | 9⅝-9⅞ | 12⅞-13⅛ |
| Two months | 5.75-5.90 | 10⅜-10⅝ | — | — | — | — | — | 12⅞-13⅛ |
| Three months | 5.85-6.00 | 10⅜-10⅝ | 5⅜-5⅝ | 7-7⅛ | 6.34375 | 15-15⅛ | 9½-9¾ | 12¾-13 |
| Six months | 5.95-6.10 | 10⅜-10½ | — | 7-7⅛ | — | — | 9⅝-9⅞ | 12⅝-12⅞ |
| Lombard | 6.0 | — | — | — | — | — | — | — |
| Intervention | — | 10⅛ | — | 0⅞ | ... | — | — | — |

| | Local Auth. negotiable bonds | Local Authority Deposits | Finance House Deposits | $ Cert of Deposits | SDR Linked Deposits | ECU Linked Deposits |
|---|---|---|---|---|---|---|
| One month | 13⅛ | — | 12⅞ | 8.3-8.4 | 8⅛-8¼ | 9⅛-9⅜ |
| Two months | 13¼ | — | 12⅞ | 8.4-8.5 | 8⅛-8½ | 9⅛-9⅝ |
| Three months | 13¼ | — | 12⅞ | 8.50-8.65 | 8⅜-8⅞ | 9⅛-9⅜ |
| Six months | 13 | — | 12⅝ | 8.85-8.95 | 8½-8¾ | 9⅜-9⅝ |
| Nine months | 12⅞ | — | 12¼ | 9.4-9.0 | — | — |
| One year | 12⅞ | — | 12⅛ | 9.05-9.75 | 8⅜-9⅛ | 9⅝-10 |
| Two years | — | 11¼ | — | — | — | — |
| Three years | — | 11⅜ | — | — | — | — |
| Four years | — | 11⅜ | — | — | — | — |
| Five years | — | 11⅜ | — | — | — | — |

ECGD Fixed Rate Export Finance IV: Average Rate of interest period March 6 to April 2 (inclusive): 13.618 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 13½ per cent from May 1, 1985. London and Scottish Clearing Bank Rates for lending 12½-12¾ per cent. Bank Deposit Rates for sums at seven days' notice 8.65-7.25 per cent (net). Treasury Bills: Average tender rates of discount 11.9039 per cent. Certificates of Tax Deposit (Series 9): Deposits £100,000 and over held under one month 13 per cent; one-three months 12½ per cent; three-six months 12 per cent; six months 11¾ per cent; nine-12 months 11½ per cent. Under £100,000 11 per cent from April 22. Deposits held under Series 5 11½ per cent. The rate for all deposits withdrawn for cash 8 per cent.

### FT LONDON INTERBANK FIXING

(11.00 a.m. April 30)

| Three months U.S. dollars | |
|---|---|
| bid 8 11/16 | offer 8 13/16 |

| Six months U.S. dollars | |
|---|---|
| bid 9 | offer 9 1/8 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### MONEY RATES

**NEW YORK (Lunchtime)**

| | |
|---|---|
| Prime rate | 10½ |
| Broker loan rate | 9-9½ |
| Fed funds | 8⁷⁄₁₆ |
| Fed funds at intervention | 8⁷⁄₁₆ |

**Treasury Bills**

| | |
|---|---|
| One month | 7.30 |
| Two month | 7.45 |
| Three month | 7.83 |
| Six month | 8.07 |
| One year | 8.28 |

**Treasury Bonds**

| | |
|---|---|
| Two year | 99²⁵⁄₃₂ |
| Three year | 100⁷⁄₃₂ |
| Four year | 101¹⁹⁄₃₂ |
| Five year | 101¹²⁄₃₂ |
| Seven year | 102½ |
| 10 year | 99⅛ |
| 30 year | 98²¹⁄₃₂ |

## FINANCIAL FUTURES

# Eurodollars firm

Trading on the London International Financial Futures market was heavily influenced by U.S. statistics yesterday. The March trade deficit of $11.05bn was in line with expectations, and the market was also not surprised by a fall of 0.9 per cent in March factory orders, but there was a sharp reaction to the fall of 0.2 per cent in leading indicators. These were expected to be up by about 0.7-0.8 per cent, although forecasts had been revised down to about 0.5 per cent shortly before the figure was announced.

June Eurodollars opened weaker at 90.86, and according to dealers broke through resistance levels to a low of 90.85, but there were no heavy sellers in the market. This reflected changing forecasts for the leading indicators figure, and expectations of a reduction in U.S. interest rates in the short term.

When leading indicators were published the market rose sharply, to close just short of the day's high at 91.07, compared with 90.98 previously. A high Federal funds rate at around 8½ per cent tended to dampen enthusiasm however, although the market will be pleased to see Fed intervention, through system repurchase agreements, at 8⁷⁄₁₆ per cent.

At the same time the market is nervous that U.S. growth in the present quarter will be much higher than in the first

### LONDON

**THREE-MONTH EURODOLLAR $1m points of 100%**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 91.07 | 91.08 | 90.85 | 90.98 |
| Sept | 90.32 | 90.35 | 90.08 | 90.22 |
| Dec | 89.79 | 89.90 | 89.54 | 89.69 |
| March | 89.34 | 89.35 | 89.10 | 89.25 |
| June | 88.97 | 88.94 | 88.76 | 88.90 |

Est volume 6,926 (4,462)
Previous day's open int 18,420 (18,320)

**U.S. TREASURY BONDS 8% $100,000 32nds of 100%**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 70-25 | 70-26 | 70-07 | 70-18 |
| Sept | 69-23 | 69-06 | 69-05 | 69-17 |

Est volume 1,981 (1,987)
Previous day's open int 2,890 (3,125)

Further London futures tables (THREE-MONTH STERLING £500,000 points of 100%; 20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%; STERLING £25,000 $ per £; DEUTSCHE MARKS DM 125,000 $ per DM; SWISS FRANCS SwFr 125,000 $ per SwFr; JAPANESE YEN Y12.5m $ per Y100; FT-SE 100 INDEX £25 per full index point) — figures [illegible].

### CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%; U.S. TREASURY BILLS (IMM) $1m points of 100%; CERT. DEPOSIT (IMM) $1m points of 100%; THREE-MONTH EURODOLLAR (IMM) $1m points of 100%; STERLING (IMM) Se per £; GNMA (CBT) 8% $100,000 32nds of 100% — figures [illegible].


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|---|---|---|
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*The Compounded Annual Rate shown is the Net Rate annualised to take account of the quarterly compounding of interest and grossed up to show what the rate is worth to Basic Rate Taxpayers.

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|---|---|
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BANQUE DE CREDIT INTERNATIONAL, GENEVE, EN LIQUIDATION CONCORDATAIRE

Conformément à l'article 43 de l'Ordonnance du Tribunal Fédéral du 11 avril 1935 concernant la procédure de concordat pour les Banques et les Caisses d'Epargne, les liquidateurs ont dressé un état de patrimoine au 31 décembre 1984 et un rapport sur leur activité à cette même date. Ils les ont transmis à la Commission des créanciers pour être communiqués à l'autorité de concordat.

Les créanciers pourront en prendre connaissance au Siège principal de la Banque, 15, rue du Jeu-de-l'Arc, à Genève, le vendredi de 9 à 11 heures 30.

Genève, le 17 avril 1985
Les Liquidateurs:
DELOITTE HASKINS & SELLS S.A.
CHARLES WINTSCH

INTERNATIONAL CREDIT BANK GENEVA IN LIQUIDATION UNDER SCHEME OF ARRANGEMENT

In accordance with Article 43 of the Ordinance of the Federal Tribunal of 11th April, 1935 regarding the procedure for Schemes of Arrangement for Banks and Savings Banks, the Liquidators have drawn up a Statement of Assets as at 31st December, 1984 and a Report on their activities up to that date. They have forwarded these to the Committee of Creditors for transmission to the Authority of the Scheme of Arrangement.

Creditors may inspect these at the Head Office of the Bank, 15, rue du Jeu-de-l'Arc, 1207 Geneva, any Friday between 9.00 am and 11.30 am.

Geneva, 17th April, 1985
The Liquidators:
DELOITTE HASKINS & SELLS S.A.
CHARLES WINTSCH

THYSSEN AKTIENGESELLSCHAFT
WESTMINSTER BANK LIMITED
DEPOSIT CERTIFICATES

PURSUANT TO THE RIGHTS ISSUE announced by the above Company, National Westminster Bank PLC gives notice that holders of the Deposit Certificates ... [illegible]

NOTICE OF EARLY REDEMPTION
THE NIPPON CREDIT BANK, LTD. LONDON BRANCH
US$20,000,000 FRCD DUE 6th JUNE 1986

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Condition 3 of the CDs, the Bank will redeem all outstanding CDs at 100% of their principal amount on 6th June, 1985 ... [illegible]

THE NIPPON CREDIT BANK LIMITED London
1st May 1985

CHEMICAL NEW YORK CORP.
US$200,000,000 FLOATING RATE SENIOR NOTES DUE 1993

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from April 30th, 1985 to May 31st, 1985 the Notes will carry an interest rate of 8¾ per cent per annum. The interest payable on the relevant interest payment date, May 31st 1985 against coupon No. 9 will be US$73.18 ... [illegible]
CHEMICAL BANK

# FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 30.

# OVER-THE-COUNTER

Continued from Page 30

# Indices

## NEW YORK-DOW JONES

# CAPITAL MARKETS

# Sweden and Dresdner Bank trigger FRN Euro D-Mark sector

BY MAGGIE URRY IN LONDON

THE new Euro D-Mark floating rate note market started with a bang yesterday with two deals being announced for Sweden and Dresdner Bank though not officially launched. Co-managers were asked for their approval of the envisaged terms, a neat way of circumventing the Bundesbank's May 1 opening date for the market.

The Sweden issue, increased from DM 1bn to DM 1.5bn when it became apparent that demand was enormous, has a 12-year life and pays interest at ⅛ point above six-month London interbank offered rate for D-Marks, currently 6 per cent. Fees are 18 basis points – but there is an extra and controversial – 12 basis point fee payable to West German banks in the deal because the issue is to be listed on the Frankfurt stock exchange. The issue traded above par, closing around 100.05. Lead manager is Deutsche Bank.

Dresdner Bank's issue for DM 500m pays interest at ⅛ point over the mean rate between Libor and Libid. Fees are 30 basis points and the listing will be in Luxembourg. The issue matures in 1990. This deal was also trading well, at around par.

Trading in the two deals was frenetic yesterday afternoon with the major UK based houses keen to make markets in them.

A fixed rate D-Mark issue was launched by Dresdner Bank for Spain yesterday raising DM 300m. This 10-year deal pays a 7⅜ per cent coupon and was issued at par. It was trading around the 1½ per cent selling concession.

Commerzbank launched a DM 40m private placement for Claas Finance with a seven-year life, a 7⅝ per cent coupon and par issue price.

Seasoned fixed rate D-Mark bonds were unchanged on average yesterday, helped by the weaker dollar and a better New York bond market in the afternoon.

The Eurodollar market was deadly quiet yesterday until late in the day Union Bank of Switzerland (Securities) launched a $150m deal for Xerox Credit. The bonds mature in four years and have a 10⅝ per cent coupon with issue price at 100¼. Payment date is June 28. Fees total 1⅞ per cent, giving a cost to the borrower around 24 basis points over U.S. Treasury bond yields.

Eurodollar bonds weakened yesterday morning following the slide in New York bonds the night before, but picked up in the afternoon when the New York market improved.

The Swiss franc foreign bond market saw low turnover with prices mixed yesterday. Chugoku Electric Power's 5⅝ per cent 10-year issue started trading yesterday, closing at 99¼ against a 99¾ issue price.

SBC launched a SwFr 100m public issue for Kyushu Electric Power with a 10-year life and an indicated yield of 5⅝ per cent. The same lead manager also announced a SwFr 50m issue with equity warrants for Odakyu Electric Railway, and a SwFr 20m fixed rate private placement for Sumikin Coke and Chemicals.

The indicated yield for the Restaurant Seibu SwFr 50m convertible has been reduced from 1⅝ per cent to 1½ per cent at the final pricing by UBS.

Soditic's expected issue for the Bond Corporation is likely to have a 10-year life and a 6¼ per cent indicated yield to raise SwFr 100m to SwFr 150m.

Banque Paribas launched the first European Currency Unit issue to be targeted at Middle and Far Eastern investors. The Ecu 40m issue is for Primary Industry Bank of Australia and has an eight-year life with a 9⅝ per cent coupon and par issue price.

| BHF Bank bond average | | |
|---|---|---|
| April 30 | | Previous |
| 101.801 | | 101.773 |
| High | 1985 | Low |
| 102.860 | | 99.840 |

| Stock | | Sales (Hnds) | High | Low | Last | Chng |
|---|---|---|---|---|---|---|
| StdMic | | 577 | 15 | 13½ | 14 | −1⅛ |
| StdReg | 1.20 | 8 | 54 | 53⅛ | 54 | −¼ |
| Standun | | 9 | 6⅛ | 5¾ | 6⅛ | |
| StandT | | 4 | 12½ | 11¾ | 11¾ | −¼ |

| Stock | | Sales (Hnds) | High | Low | Last | Chng |
|---|---|---|---|---|---|---|
| UFnGrp | | 185 | 6⅜ | 6⅛ | 6⅜ | +¼ |
| UFstFd | | 52 | 20⅝ | 19¾ | 20⅝ | +⅜ |
| UGrdn | 1.64t | 49 | 18¾ | 18½ | 18½ | −¼ |

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# FINANCIAL TIMES SURVEY

# Software Packages for Business

Software packages, which are computer programs general enough to suit many business users, are the fastest growing sector of an expanding industry
Economies of scale are behind the success

## Growth pains biting

By Alan Cane

THE WORLD-WIDE market for computer software packages costing under $1,000 was worth precisely nothing five years ago. Last year, its value had increased to $562m and Infocorp, a California-based marketing consultancy, is predicting it will be worth $4.2bn by 1989.

Other experts make similar predictions. London-based IDC Europe estimated the microcomputer package software market at $493m for West Europe alone, in 1983 and believes it will grow to $5.2bn by 1989.

It says: "Microcomputer packaged software is the fastest growing segment of the packaged software market which itself is the fastest growing segment of the software and services industry."

Packaged software is a generalised computer program, or suite of programs, designed to carry out a specific task for a number of users—provided they are prepared to modify their business activities to suit the package and not vice-versa. The costs of developing and marketing are thus shared between a number of users.

The importance and potential of this method of developing and marketing software has been recognised by most of the major software houses for many years now. Management Science America (MSA), the world's largest independent software supplier grew to reach revenues exceeding $130m in 1984 through sales of business applications packages — accounting, payroll and so on—designed to run on mainframe computers.

The approach was—and is—uncompromising. Packages, it argues, were meant to be installed without modification to preserve economies of scale.

Other companies have been less fastidious. BIS, for example, which wrote and markets one of the few internationally successful UK packages, the Midas banking suite, cheerfully tailored each package to suit the customer's requirements. The work typically took less than three months, and compares with a year or more for a system written from scratch.

The economics of software production have inexorably driven the industry towards packaged solutions.

### Advanced

Creating software from scratch is expensive; for many potential computer users impossibly so. And there is no sign that bespoke, or specially tailored, software will get cheaper in the foreseeable future.

Programmers are expensive and in short supply. Their productivity—or lack of it—is a continual source of anxiety to hard-pressed data processing managers trying to clear their back-log of requests for new applications.

Progress towards computer systems which write their own programs is also slow, although a number of installations are making headway with so-called fourth generation languages (GLs)—programs which make it simpler for professional programmers to write software efficiently.

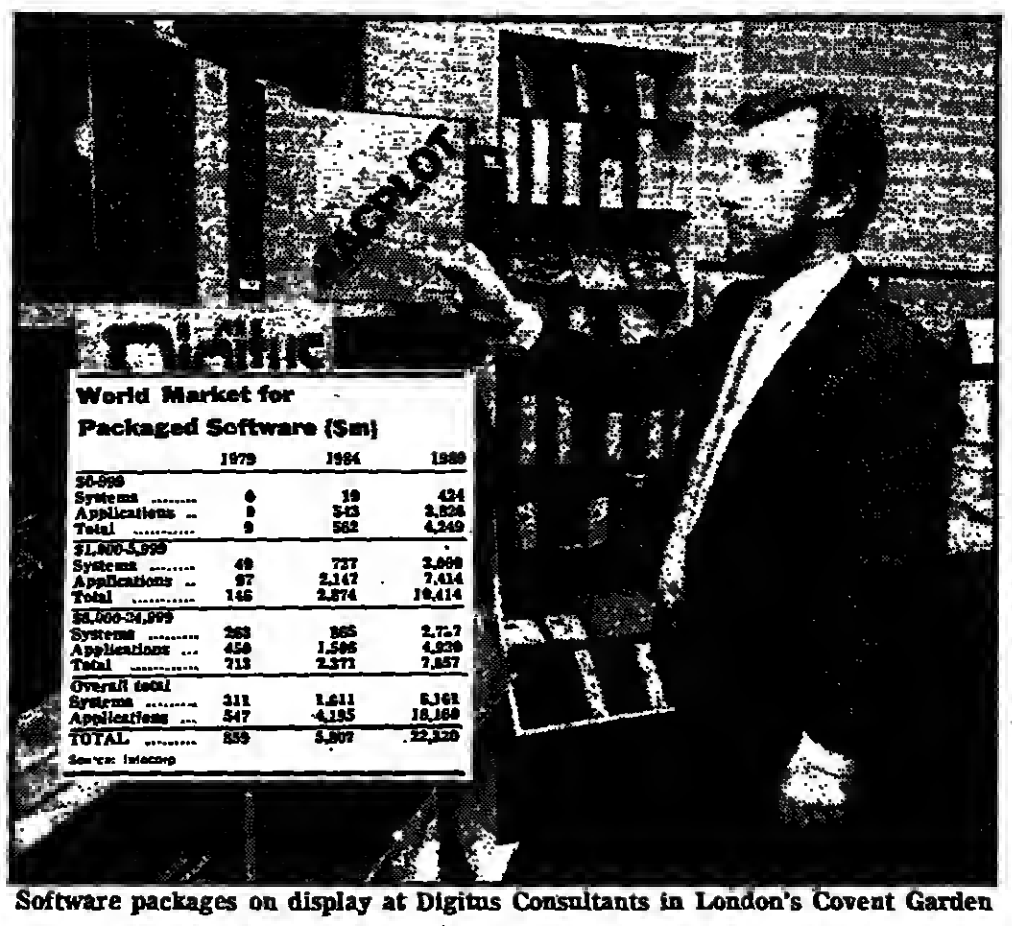
A recent survey of 622 computer installations in the UK by Inbucon Management Consultants revealed, however, that just over a quarter were using these advanced software development aids. Of the rest, almost 70 per cent used packaged software.

The economics are inescapable. A piece of bespoke software can easily cost from $50,000 to $500,000 to write. Packaged and marketed to multiple users, the cost to each comes down to a few thousand dollars. At the micro end of the market, where thousands of copies may be sold, the price comes down even more dramatically.

Experienced data processing professionals are frequently shaken these days to find that an application software package, for which they would have paid thousands of dollars only a few years ago to run on their mainframes, now costs only a few hundred dollars packaged to run on a micro.

The advent of the microcomputer in the late 1970s provided a major fillip to the packaged software industry; the corporate best sellers list compiled by the authoritative U.S. publication *Software News* features companies that were scarcely in existence before 1980.

There is Lotus Development, for example (revenues last year $157m), which has achieved spectacular success with its integrated package 1-2-3, combining spreadsheet, database management and graphics; or Ashton-Tate which markets dBase II, perhaps the best known of all the database management micro packages.



World Market for Packaged Software ($m)

| | 1979 | 1984 | 1989 |
|---|---|---|---|
| $0-999 | | | |
| Systems | 0 | 19 | 424 |
| Applications | 9 | 543 | 3,826 |
| Total | 9 | 562 | 4,249 |
| $1,000-5,999 | | | |
| Systems | 49 | 727 | 3,000 |
| Applications | 97 | 2,147 | 7,414 |
| Total | 146 | 2,874 | 10,414 |
| $6,000-24,999 | | | |
| Systems | 263 | 865 | 2,727 |
| Applications | 450 | 1,506 | 4,930 |
| Total | 713 | 2,371 | 7,857 |
| Overall total | | | |
| Systems | 311 | 1,611 | 6,161 |
| Applications | 547 | 4,195 | 16,160 |
| TOTAL | 859 | 5,807 | 22,320 |

Source: Infocorp

Software packages on display at Digitus Consultants in London's Covent Garden

Of the top 25 package vendors listed by *Software News* in January this year, only one, IBM, has a track record extending back before the micro revolution.

But there are fears that the meteoric growth of many of these companies will falter and tail away. IDC's figures suggest that IBM has overtaken the traditional micro vendors to become the largest hardware vendor selling microsoftware.

It has recently anounced its own proprietary Business Management Series of micro software and there is every reason to believe it will maintain and increase its market share.

In one of the regular fluctuations to be expected in what is a very volatile market, retail sales of packaged software for micros in the U.S. appear to be declining. Infocorp's retail sales index, set at 100 in November 1984, was only 64 in terms of units sold and 53 in terms of value of sales by January 1985, an indication that a previous surge in purchasing has come to an end.

Sales of 15 titles accounted for 54 per cent of the market and 17 publishers accounted for 70 per cent of unit sales.

It is a market characterised by a small number of successful products; the high cost of entry is now effectively deterring new competition. Huge promotional efforts are needed if a new product is to be differentiated from its competitors. To package a program professionally can cost over $20,000. A major advertising campaign can cost $5m.

End user computing drives the micro software market, IDC says. "This puts purchasing power into the hands of the end user, and marketing into the realm of targeting small businesses and departments of larger organisations."

"The principal consequences of this trend is that mass marketing techniques are required for micro software. This means advertising in non-trade media and mass distribution; selling and retailing techniques that have more in common with the pop record industry than with data processing."

Software vendors are becoming familiar with a business that spirals upward while a package feeds on its own success and plummets downwards if it fails to meet its design criteria or collects poor reviews.

And just as there are predictions that only a handful of companies will be left in the microcomputer hardware business in a few years (with IBM the only certainty to stay the course) so the view is growing that only a handful of micro software companies will be left after the shakeout. MSA, for example, is returning to its traditional mainframe package business after a disastrous experiment with retailing micro software.

And there are worries about the failure of even the more innovative software houses to develop full product families. Personal computer users, for example, seem to need chiefly four principal applications—spreadsheets, exemplified by Visicalc from Visicorp, database management — d Base II from Ashton-Tate, for example; word-processing, of which the best known is WordStar from Micropro; and graphics represented by Chartmaster from Decision Resources.

### Maturing

Then there are the integrated packages which collect together a series of applications sharing the same information on the same floppy disk, like 1-2-3.

Lotus, however, has not managed to repeat the success of 1-2-3 with Symphony, a much more sophisticated integrated offering, and is now some months late with Jazz, an integrated package for the innovative Apple Macintosh which should have smoothed Apple's path into the business computing world.

The mighty Microsoft, first microsoftware company to break $100m in revenues has still to release Windows, a package which makes it possible to divide the video screen into a number of working sections.

IBM has not had great reviews for its own "windowing" product, Topview, and Ashton-Tate's offering in integrated scoftware, Framework, is not repeating the acclaim of dBase II.

The general conclusion is that the microsoftware business is maturing and stabilising, although not without serious growing pains. The announcement last month that Lotus Development had merged with Software Arts, the company which developed Visicalc, may point to a trend towards a smaller number of larger, more stable companies with a better balanced portfolio of products.

It also has an agreement with Cullinet, a database specialist, to develop micro-to-mainframe software. IBM has, for some months been operating a scheme where it repackages and markets the best software from independent vendors.

The packaged software market for multi-user systems, that means mainframes and minis, is a world apart.

In Western Europe, for example, in 1983 IBM had revenues of $649.3, representing 38.7 per cent of the total market. In second place was ICL of the UK with 4.6 per cent, and in third place Siemens of West Germany with 4.4 per cent.

Among the independent vendors, Cincom came top with revenues of $26m and a market share of 3.3 per cent, followed by Computer Associates and ADR, all of the U.S. In fourth place came Sema of France with 1.8 per cent of the market.

Consultants suggest that the balance between spending on hardware, custom software, and packaged software, which was 67:17:15 in 1983, will shift by 1989 to 57:17:26.

So the packaged software business seems certain to gain ground in a steady and predictable fashion at the upper end of the market and in a less-predictable fashion at the micro end.

What is certain is that IBM will be there at every level. "When you think software, think IBM" was the message it was pushing at a recent large U.S. software exhibition.

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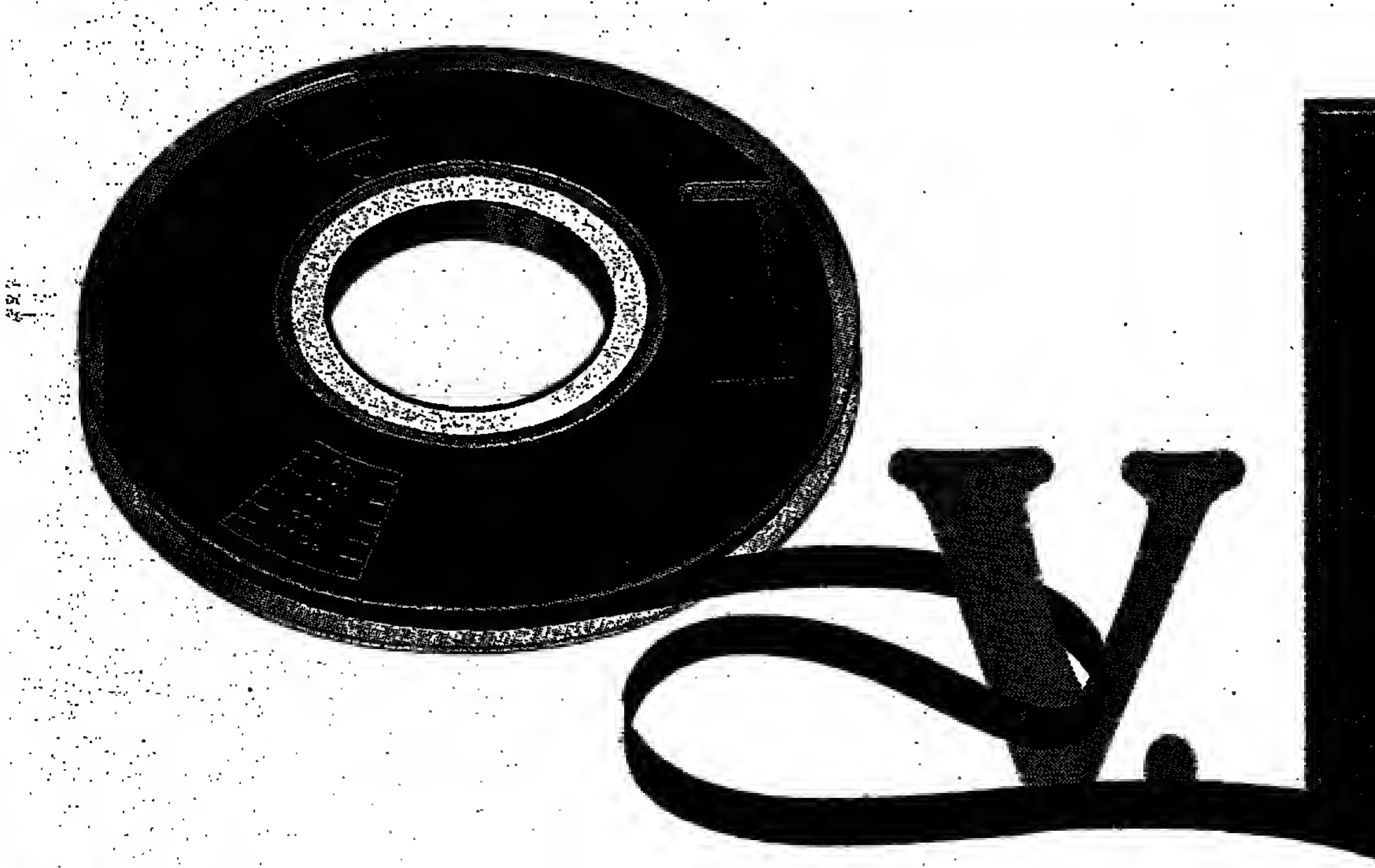

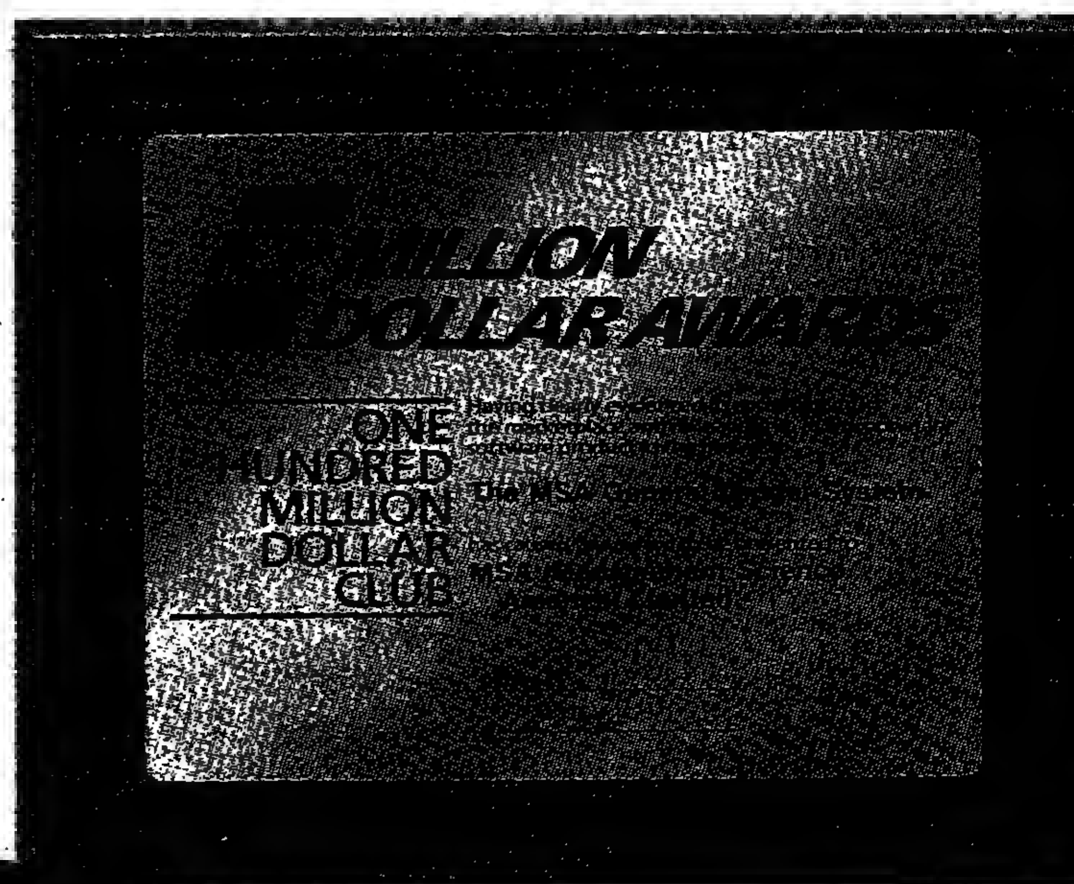


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# Applications put on the rack

## Integrated

ERIC BAGSHAW

INTEGRATED PACKAGES are to epplications software what rack-mounted stereo systems ere to hi-fi.

In hi-fi's early days the enthusiast was forced to buy components from e wide variety of sources and manufacturers, as companies often bed only a single type of product sucb as amplifiers. This disparate collection of devices had to ba assembled and integrated by the purchaser into e working whole—a process requiring some skill and usually proficiency with a soldering iron.

Now anyone can walk into a high street store and purchase a "rack system" of electronically and aesthetically matched components that can be taken home and plugged in. This same progression has been seen with software.

*The best-selling packages* of a few years ago in each of the major areas, wordprocessing, database, spreadsheet and business graphics were from *different* sources, Although interchange of data was possible it was cumbersome and for the novice, a fraught process.

Changing from one application to another was e *process taking* many seconds, if not minutes. The operational methods, documentation and appearance to the user also reflected the varying authors' and manufacturers' standards.

Integrated packages have been promoted as the solution to these problems. They are a number of applications grouped in a single package, They sre a relatively recent arrival on the computer software market place, and few ere more then 18 months old.

The first system in the now familiar mold was Open Access, closely followed by Symphony, Framework and Smart.

All integrated packages cover the "big four" applications of database, wordprocessing, spreadsheet and business graphics and many have other strings to this collective bow—especially in communications, on-screen calculators and diary options.

For an application aree to be successful it must have some positive benefits to offer the potential purchaser. Those found with integrated packages are:

**Easy Data Interchange.** One of the most persuasive reasons for selecting an integrated package is the ease with which data from one application can be interchanged and incorporated into another area. This can allow selected information to be passed from, say, the database to the spreadsheet for "what if?" analysis and then the results sent to the graphic module for plotting.

**Easy Application Interchange.** Many junior staff may be occupied by a single application package for most of their time, *such as wordprocessing.* In contrast, a manager or executive will often use a wide range of applications for sbort periods of time and require swift interchange.

### Style

**Common Face.** An integrated package can make a great contribution to a computer system's ease of use. A group of packages from different manufecturers will almost alweys exhibit widely different command structures. To move the cursor up, the database may use control "E," the wordprocessor control "U" and the spreadsheet the "arrow" keys. This is both confusing and potentially dangerous and will extend the time taken to master the system.

The integrated package will offer a uniform range of commands with the keys baving common functions. In edditlon, the documentation's style and structure will also be uniform.

**Data Capture.** One feature common amongst these peckages is the facility for external data capture. This is the ability to bring into the system information from the "outside world." Most will accept deta from the storage formats used by the best-selling individual packages which will aid users changing over to the new package or to capture information from e colloague's computer.

The most open interchange standards is ASCII. This is simple "raw" text which may be picked up by having the other system writing deta to the disk. They can accept only partially structured data and can therefore link into accounts systems and even on-line databases.

Automatically linking to an accounts package via this type of interfece can be useful. It will allow tho data from any of the ledgers to go through many levels of analysis, spreadsheet modelling, selective reporting with the database, mail shots with the wordprocessor and even graphic plots, processes impossible with most accounts systems.

**Programming Languages.** A *number of the systems* also incorporate, for the more advanced user, a "mini" programming langusge. This can facilitate the capable user (or *the dealer) to extend the system* to perform complex series of ections initiated via simple menu (a series of numbered options) driven commands. By *this route* the packages can be designed for specific applications, say an estate agent or insurance broker, performing their own unique and often *sophisticated requirements in* e simple and straightforward manner.

Setting up sucb a system can be complex, as it does involve programming. But once initieted it can be operated by someone with little knowledge of the procedures behind the simple menu options.

**Keystroke Macros.** The keystroke macros is a less ambitious but still e very useful facility. With this option, repetitive functions which involve a large number of key depressions can be automated by "teaching" them to the computer. The system is placed into "learn mode" and the mecro given a name. The desired series of key depres*sions are then made and auto*matically saved through the computer's disk. The next time these are required the whole series can be re-run by issuing *the name of the original macro.*

### Sophisticated

**Cost.** Last, but far from least, is the price. An integrated package with at least four application modules will cost about £500. To achieve similar facilities by purchasing individual peckages could cost £1,200 or more.

Tha appearance of the integrated peckage is directly due to the increased power provided by the jump from eight to 16-bit chip systems. The eight-bit systems are limited to 64K RAM (1K=1,024 characters) memory; the 16-bit can handlo e theoretical 1MB, or 16 times this amount.

Allied with more sophisticated processing processing power and larger disk storage, this edvance has made the *integrated package a reality.*

The present range breaks down into two sub-divisions—disk and RAM based. With the RAM-based package, both tha programs and data reside totally within the computers internal memory. The disks ere accessed only for the initial program and data loading and to save *the data* at the *end* of e session.

This means all facilities are instantly available and many can bave multiplo modules in action simultaneously by tha use of windows. Using the window technique (partitioned areas like miniature screens upon a single main screen), ona area may be a spreadsheet whilst another is displaying the data plotted into e pie-chart.

*RAM,* even with 16-bit systems, is a finite resource and imposes limitations. These limitations impact in the areas of total deta store and program *size* — therefore *RAM* based packages tand not to bave a wealth of program facilities.

With the disk-based packages, the programs for each modula are loaded as and when needed and the disk is in constant use for data store throughout an applications use. These packages are therefore abla to support more sophisticated applications programs and have large deta storage abilities.

This is not to say though thst all packages of this type hava mada use of this opportunity, some beve less facilities than their RAM-based counterparts.

Another feature which is only possible with the disk-based systems is the sharing of current data batween users with the increasingly popular multi-user and networking *micros.* This is because the data with a RAM-based system is inside tha memory of the individnal terminal and may bave been *changed since it was first loaded* from disk.

The penalty paid though for using the disk is a lack of tha multiple application windows and *less slick* deta and *application* interchange methods.

It will be interesting to monitor tho growth of the integrated packages within the *market and their effects upon* the sales of individual packages. The other potential aree of interest will be wbether independent suppliers make use of the in-built programming languages present on some systems to develop packages.

The best of these products could have the menu-driven simplicity of conventionally-*programmed software* plus the manipulation facilities only previously seen with the add-on extras of spreadsheets, databases, wordprocessor and the like.

The competent user or the suppliers would also have the flexibility to tailor the system to their own requirements. In *addition, as the system would* be designed as a harmonious whole, deta interchange would be simplicity itself.

Much of *today's hi-fi* is *bought* as *integrated rack* systems by users with general needs. But for those software package users looking for the ultimate or with very specific requirements, the *solution* may only be realised by individual components.

Mitchell Kapor, president and co-founder of Lotus, and Ben Rosen, lead investor in raising venture capital for the company

# General pointers toward selection

By ERIC BAGSHAW

MUCH OF today's hi-fi is purchased in the integreted rack-mounted form but a significant portion *is still* bought as individual components and assembled by the user. For the person with specific needs or an enthusiast looking for the *ultimate, this* is often the only route.

The following general pointers can be used to select the correct range of software packages.

INDIVIDUAL PACKAGES: These are called for if you have only one or two applications or very specific and sophisticated requirements and if speed/ease of interchange is a low priority.

RAM-BASED INTEGRATED: These packages are ideal for users requiring the maximum in interchange of data and applications but may not require e wealth of facilities in all modules or very large amounts of deta storage as this is limited by the availability of RAM.

DISK-BASED INTEGRATED: In many ways a compromise between individual and integrated packages. The best combine the sophistication and storage capecities found with individual packages but the common face and ease of data interchange of the integrateds. However, do not expect the high speed of application interchange which is only possible with RAM-based packages.

When selecting a package pay particular attention to the abilities of each module—it is unlikely that all the modules of an integrated package will be equally important. Each user will have his own needs. For one word*processing may be the most* important option, for another it may be the spreadsheet. Therefore, carefully assess your own requirements and *pick a system whose strengths* match these as closely as possible.

The emergence of integrated packages *is due* to the increases in hardware power brought about by 16-bit processors. These packages therefore tend to be rather demanding when it comes to hardware resources. You can only just run most of the RAM-based packages on 256K; at least twice this will be required to make them "sing and dance."

Many of the disk-based packages require a little less in the way of RAM but operate best on a hard disk.

Other ancillary costs can include extra boards and an expensive monitor to do justice to the full colour business graphics (pia charts, histograms etc.) that most produce. For hardcopy output of the charts the best quality will be achieved with a plotter but many can elso drive standard dot matrix printers with acceptable results.

# RAM and disk in a new wave

ALL THE following packages are available on best-selling micros such as tho ACT Apricot range and IBM PCs (and close look-alikes). They are representative of the new wave of software that make great use of the hardware's programmable function key facilities such as ACT's micro-screen and IBM's templates.

All of the systems have at least database, wordprocessing, spreadsheet and business graphics modules.

**RAM-BASED**

Two representatives of this type of system are Framework (Ashton Tate, 0908-568866, priced £550) and Symphony (Lotus, 0753-840281, £550). Both are from companies with a best-selling package to its credit, Ashton Tate with the database, dBase II (and *now* version III) and Lotus with the spreadsheet, Lotus 1-2-3.

Framework is not based on a database but can link to its full-blown relatives, dBase II and III. Instead it is a series of moderately powerful modules linked by a window techniquo called outlining which allows related work in any of the applications to be stored together in beading and sub-heading groupings.

Symphony borrows on its 1-2-3 origins, the whole system being built around a powerful spreadsheet. Both use multiple window techniques, have a communications program and incorporate a programming option.

**DISK-BASED**

Two typical disk-based systems are Open Access (written by SPI, available from ACT 021-455-7000, £450) and Smart (written by Innovative software available from Paradigm 01-228 5008, £695).

Both possess a range of application modules with power and facilities comparable to many individual applications packages. They can be purchased as a complete system or as separate modules.

Open Access possesses a powerful and flexible multi-file relational database with a query language and a spreadsheet with goal-seeking abilities. Smart has a comprehensive programming option as well as a multi-file database and sophisticated word-processor.

Both systems have diary options and keystroke macros but of the two, only Open Access has a communications program.

**Eric Bagshaw**

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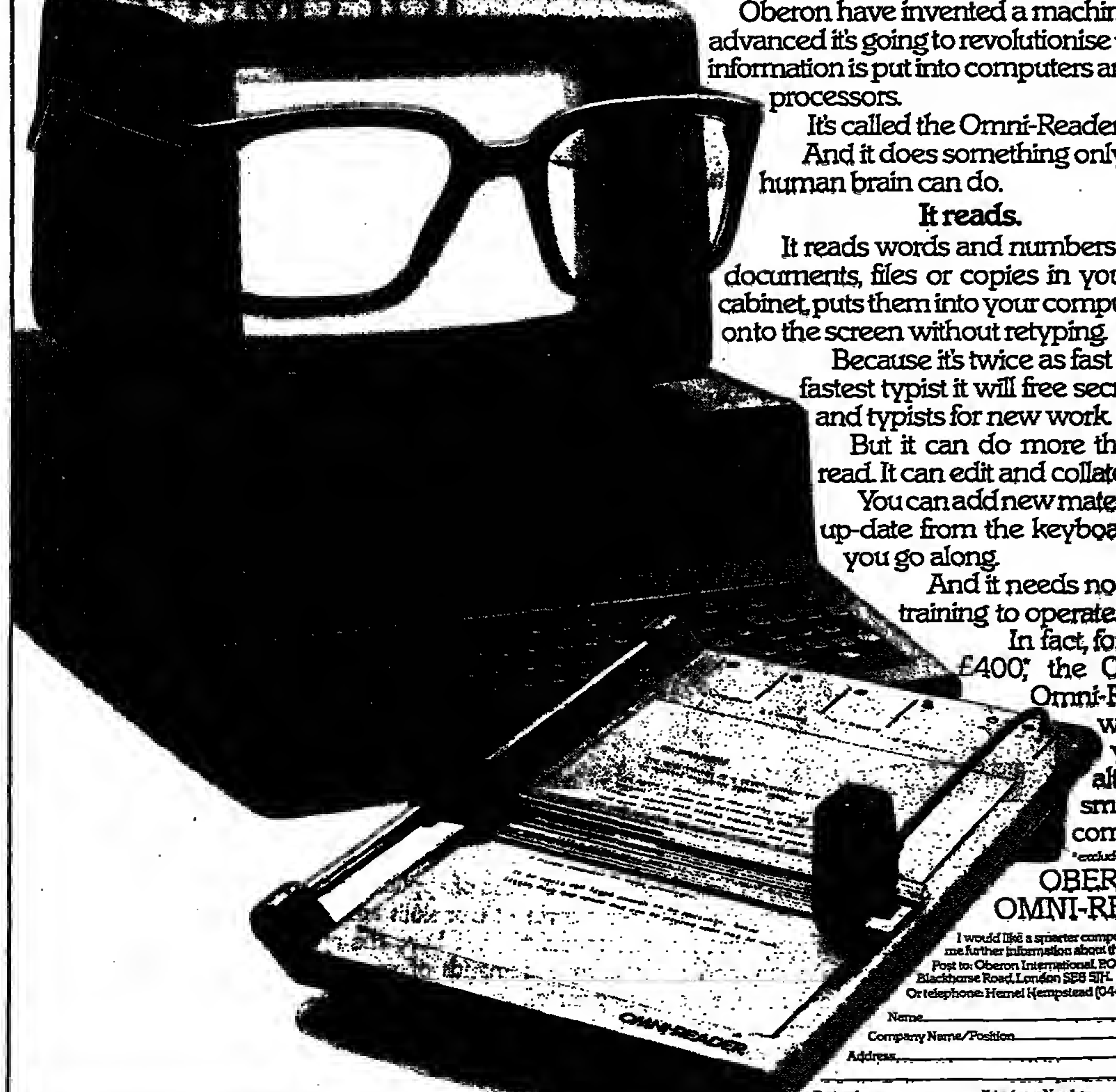

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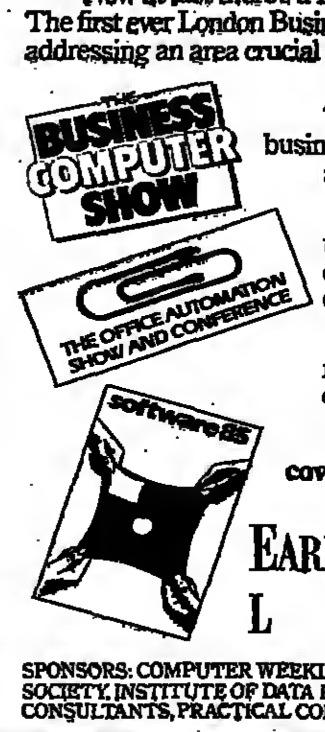


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# Growth shows little sign of fading out

## Mainframes

PHILIP MANCHESTER

SYSTEMS SOFTWARE was the first area of the software market where packaged products emerged. Long before the shelves of microcomputer stores were groaning under the the weight of spreadsheet, database and word-processing packages, mainframe users were spending hundreds of thousands of pounds on large-scale versions of the same sort of thing for their computer systems.

In spite of systems software being mainly the province of computer manufacturers, a significant independent industry has grown alongside those manufacturers over the past 15 years. This has mainly centred on the enormous IBM market, with an estimated 32,000 mainframe sites worldwide. This market has been growing steadily at a rate of between 20 per cent and 30 per cent for a decade and shows no signs of falling off.

Latest figures from the U.S. market research company IDC show a steady growth of 26 per cent per annum between now and 1989, when the total market for mainframe packaged software (including applications packages) in Western Europe will hit $3.4bn.

Cullinet, a leading database specialist, claims an annual growth rate of 70 to 75 per cent per annum and sees no sign of a downturn in business saye Mr Andy Milner, systems consultancy manager.

Similarly, Mr Cliff Smith, of Computer Associates, points to a growth rate of 50 per cent per annum over the past five years and is projecting income of $130m on its latest financial year—up from $87m.

These companies are typical of tha first division of mainframe systems software suppliers and their role in mainframe users' plans has taken on a greater significance since the cost of mainframe hardware began to fall dramatically at the end of the 1970s. The fall in hardware costs has led to the hardware supplier becoming less inclined to offer the extensive support once seen as an industry norm.

For instance, when IBM launched the 4300 in 1979, it restructured its support strategy in such a way as to make it very expensive for users to obtain support.

The independent software suppliers have, to a greet extent, filled that gap and now help users plan their installations, advise on proposed system improvements and generally provide "handholding" which would, previously, have been provided by IBM.

It is generally acknowledged that the independent industry began with the unbundling of software and hardware at the end of the 1960s. In 1969, IBM announced that it would charge extra for its systems software. The other major mainframe manufacturers quickly followed suit.

### Independent

System software is defined as that software close to the computer which handles the "housekeeping" chores in any system — such as database management, communications and job scheduling. Where mainframe computer users had, in the past, taken the manufacturers' offering because it was included in the overall price, unbundling allowed them to look for alternatives in the open market.

In the past the independent suppliers have been eble to offer much higher quality products than the manufacturer by targetting a specific sector of the market and concentrating both their technical and marketing forces on that sector. In recent years, however, independents have offered a wida range of products which matches that of the manufacturer.

The two main areas where independents have scored successes have been in database software and transaction processing. In the IBM marketplace this has been a result of the inadequacies of the manufacturers' products.

There is an argument that the hardwara manufacturer is not the best supplier of software. IBM, for example, is often held up as the villain of the software world with its priorities entrenched in the philosophy of making software inefficient so as to sell more hardware to make up for the bad performance. Even so, IBM is still the largest supplier of systems software to its customers, with an estimated 25 per cent of the European market.

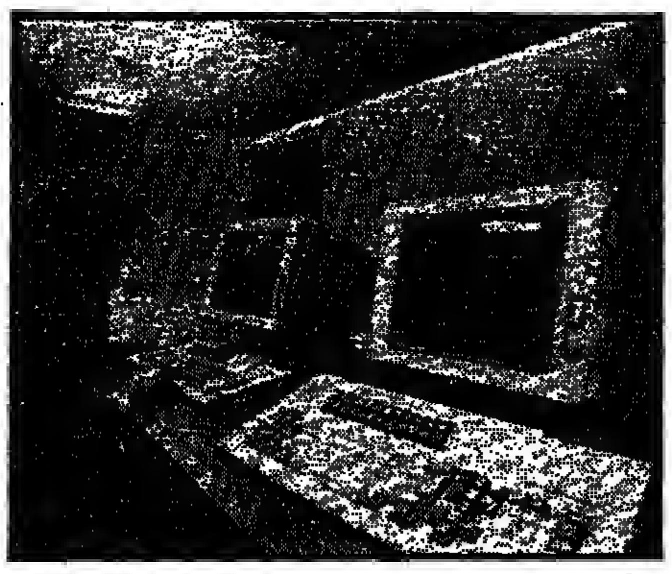
Since the beginning of the 1980s the independent software suppliers have adopted a strategy of offering a complete alternative software philosophy—integrating database, transaction processing and end-user tools into a single all-purpose system.

All the major suppliers—Cullinet, Computer Associates, Cincom, Applied Data Research and Software Ag—have gone this route over the past five years and it appears to have had some success. As a result, software suppliers are deeply involved in mainframa installations and often reach beyond the data processing department to the users.

Mr Milner, of Cullinet, says mainframa users are increasingly turning to software companies to solve their system problems. In the past they would have turned to the manufacturer or done the job themselves.

"The mainframa packaged software business is much more stable nowadays and the new application development aids—fourth-generation languages — are accepted rather than being speculative prodncts," he says.

"A lot of our customers come to us because they are looking for both systems software and applications."



The IBM 3090 model 200 is a high-end processor for rapidly growing computer requirements

Mr Milner's comment points to a trend that has been gathering pace since the beginning of the decade—the system software company moving into applications. The two main themes in the mainframe packaga market these days are epplications and "integration."

Cullinet, along with the other big independent suppliers has taken the "complete alternative" philosophy to the point where it can offer a user a viable alternative to the manufacturer. Starting with a database management package, mixing in a transaction processing package for handling users' terminals (or even personal computers through micro/mainframe links) and binding the whole thing with a fourth generation language, this approach providas users with ways of building their applications themselves as opposed to relying on the data processing depertment.

Cincom, another major supplier, has achieved this with its MANTIS package and ADR has done the same with its DATA-

Computer Associates, said to be on the verge of announcing a similar "total" package sees this as the way things are going.

Mr Cliff Smith of CA described what be sees as the system of the future. "Users have realised they have to design a system from end to end first. They also sea you cannot have multiple version of the truth—you must have your data concentrated in a single database and the whole thing has to be menu driven and interective.

"That is the sort of package we are offering and there is no way the user can develop that sort of thing nowadays."

With increased involvement in personal computing, communications and end user computing, it seems there is e rosy fnture ahead for the established systems software producers.

**Multi-User Software Package Revenue (W. Europe)**

HARDWARE MANUFACTURERS

| | Origin | 1983 Revenue ($m) | Market Share (%) |
|---|---|---|---|
| IBM | U.S. | 649.3 | 38.7 |
| ICL | UK | 76.8 | 4.6 |
| Siemens | WG | 73.5 | 4.4 |
| Bull | Fr | 70.9 | 4.2 |
| HIS | U.S. | 64.7 | 3.9 |
| DEC | U.S. | 63.8 | 3.8 |
| Nixdorf | WG | 60.8 | 3.6 |
| Olivetti | It | 50.5 | 3.0 |
| NCR | U.S. | 48.9 | 2.9 |
| Burroughs | U.S. | 44.1 | 2.6 |
| Other | | 474.9 | 28.3 |
| TOTAL | | 1,678.2 | 100 |

INDEPENDENT VENDORS

| | Origin | Revenue ($m) | Market Share (%) |
|---|---|---|---|
| Cincom | U.S. | 26.0 | 3.3 |
| Computer Associates | U.S. | 22.1 | 2.8 |
| ADR | U.S. | 15.1 | 1.9 |
| Sema | Fr | 14.4 | 1.8 |
| Cullinet | U.S. | 13.7 | 1.7 |
| MSA | U.S. | 13.2 | 1.7 |
| Steria | Fr | 11.7 | 1.5 |
| ADV/Orga | WG | 11.2 | 1.4 |
| SAP | WG | 10.8 | 1.4 |
| CGI | Fr | 10.7 | 1.3 |
| Other | | 648.2 | 81.3 |
| TOTAL | | 797.1 | 100 |

Source: Eurocast, International Data Corporation

# Building in capacity for easy changes

MAINFRAME computer users have traditionally built their own systems. But in the last decade there has been a gradual drift toward buying in packages to meet many of the needs of companies — especially in the financial area.

Unlike the packages sold into the personal computer market, mainframe applications are large scale, expensive and require significant support from the supplier.

The fall in the price of hardware coupled with an increase in computer performance has highlighted the continually rising cost of skilled softwara staff. At the same time, improvements in the technology of developing software have made the package a more attractive alternative to building a system from scratch.

The package solntion first rose to prominence with the antomation of company payroll systems. Payroll is an area where government legislation and union agreements exert a strong infiuence over the design of the system, making it an ideal candidate for a "packaged" approach.

Peterborough Software, tha UK software house, built its business on the back of the payroll package Unipay, and has gone on to develop packages for pension administration and personnel records.

As accountancy practices have increasingly been subject to legislation a similar drift towerd the package solution has taken place in the field of sales, purchase and nominal ledger processing, with market leaders Management Science of America building a multi-million-dollar business from packages in this area.

The mainframe package market has become so broad that somewhere in the world there is, most likely, a package to achieve every thing a modern business might want to do. The only areas that have stood out egainst being "packaged" are those where individual company practices have made it difficult to adopt a general approach. But even this may be changing.

Walker International, a relative newcomer to the package market, has edopted an approach which it calls strategic software and has achieved considerable success in the three years it has been in existence.

The approach, developed from the idea that many of the component parts of any system are similar—it is only the way they are put together that differs from user to user — operates at three levels. Tailoring is possible at the user end, the data processing end and also in terms of what systems software is being used.

Mr David Roberts, of Walker in tha UK, describes the concept as an umbrella under which a distinction is made between the end user and the data-processing department.

"The software is designed to be transported ecross a number of different operating environments. On one side we give the data processing department a set of optimisers to allow them to control the form of the data and how it's beld in the database. On the other side we give end users a set of 'personalisers' so that they can tailor screens, reports and the rest to suit their requirements.

### Bridge

"At the root of this is what we call the software bridge, which allows the customer to choose which database management system and transaction processing system they want."

Installing e package at this level requires a significant commitment from the software company and this level of consultancy does not come cheap. Mr Roberts was reluctant to put a price on the various packages that Walker sells but estimated in round figures that e single application would cost about £100,000.

He added that subsequent systems would cost less because the kernel software—the software bridge, the "optimisers" and the "peronalisers"—would already be in place and were the same whatever the application.

Walker's range covers ledgers, accounts payable and receivable stock control and purchase order processing. Its approach of making the software easily changeable coupled with a high level of consultancy is one that is growing in popularity.

Mr Ian Macnaught-Davis, managing director of the U.S. company Comshare, says users are demanding the ability to change systems easily, especially since the use of personal computers has made users more eware of what they can get from a computer.

"The demand for consultancy is phenomenal and what people want is systems that are easy to use and that can easily be changed to meet new demands," he says.

Comshare's many years as e timesharing supplier has put it in the front line as far as end-user computing is concerned, Mr MacNaught-Devis says.

"We have had to give customers what they want and we now perceive that as being what we call "close bonding" of systems. At the back of this is a large scale mainframa database and at the front end is a terminal or a micro. In the middle is the component that brings the company databasa and external databases together."

Comshare has specialised in providing applications in the financial planning sector—best thought of as giant spreadsheets.

The UK software company CAP had a brief flirtation with packaged systems software e few years ago with its ill-fated CAP-CPP subsidiary. Recently it has moved back into the game—this time with applications packages for the financial services industry.

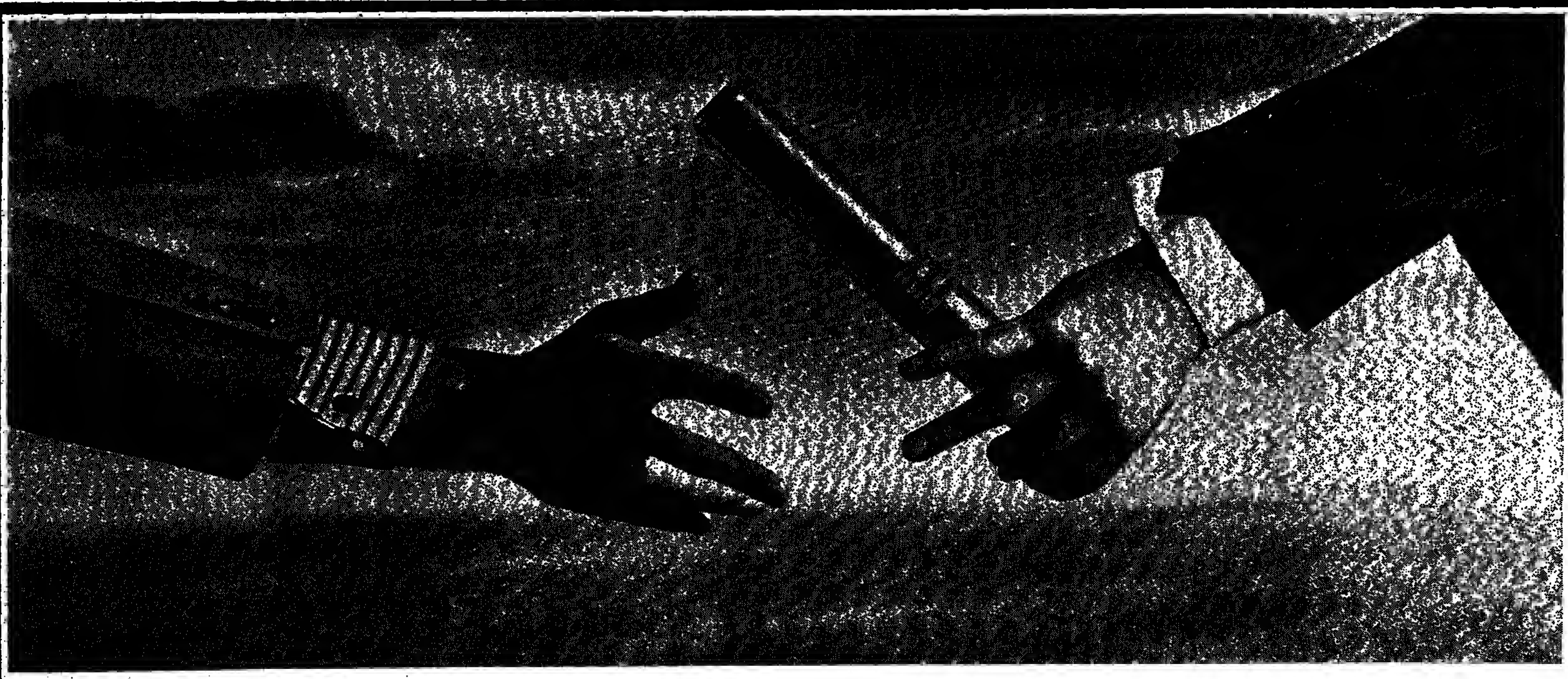
Mr Alan Benjamin, CAP director, confirmed that much of the packaged applications business nowadays required a high level of consultancy and commitment from tha software supplier.

"A package is rarely more than 75 to 80 per cent of the solution. You must be able to reconfigure the system to suit. Every company wants to play around with the basic package to fit with what they want."

He also agreed that the microcomputer had opened users' eyes to what they could expect from a computer.

So the shift that appears to be taking place in the applications software market is towards packages that can be substantially tailored to users' requirements. It is no surprise that many of the traditional systems software vendors — Cullinet and Cincom among them—have been moving into the applications market.

**Philip Manchester**

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# Half-witted but much faster

## Database

BORIS SEDACCA

THERE IS nothing a micro-computer-based database management system (DBMS) can do thet cannot be done as well, if not better, by a buman being using a manual system of record card boxes and indexes.

This may seem a bold statement to make but even the best-selling database package for micros, Ashton Tate's dBase II, will not, for example, find a record keyed in as "WR Grace" if it was previously entered as "W.R. Grace," withoot extensive programming.

A buman operator with no more than average intelligence on the other hand, would spot the similarity straight away. But sucb a boring and time-consuming job is unattractive to humans and computers can do the job mnch faster, albeit in a half-witted way.

Some DBMSs such as Southdata's Superfile, a UK product, can manage phonetic matching, so tbat it is possibe to make a search for a name or value which is close to the one required: a sort of "fuzzy matching" facility which is unusual on mainframe computers, let alone on a micro-computer-based system.

Businessmen receive pointers on available systems at the W. H. Smith business computer centre at Crawley, Sussex

### Records

There is a constant need to categorise information in business. The best way to have information at one'a fingertips is to put it into tables with column beadings. Conceptually, these tables would be buge and cumbersome physically, but can be tucked away neatly in electronic form. The column headings are described as "fields."

Items of information, described as "records," are written inte the rows. Alternatively, one could think in terms of individual cards for each record. The total collection of records of the same type is described as a "file." A simple package of this type, called Cardbox, is available from a UK software publishing eutfit, Caxton. It is basically an electronic cardbox and no more. A similar package, called "Friday!" is available from Ashton Tate.

Going back to basic concepts, as each new record is added, it may be put into a specific order in the file—for example, alphabetically by name in the case of a personnel file—but if information is also required on another field, say by age, then it would make sense for a separate age index to be kept which would make a cross-reference to the actual records.

Where a number of indexes are lo be set up, the administrative burden can become quite unbearable and the risk of error increases. Computers do not usually make mistakes, but humans do.

The precursor of today's modern bierarchial DBMSs, particularly IBM's Information Management System (IMS), was the Bill ef Materials Processor used in manufacturing applications where components would form sub-assemblies, which would in turn form larger sub-assemblies through a number of hierarchical levels to the completely assembled and finished product.

Compsoft's Delta, the main competitor to dBase II In the UK, owes a great part of its success to the fact that being a hierarchical system, it is easier to use than dBase II. In fact, it is even simpler than hierarchical—it is transactional, providing one level of hierarchy.

For example, a record held in a Delta database for a certain company will allow sub-records for a number of people within that company by name, title, extension number, and so on, to be attached. Also attacbed to another portien of the same record may be a number of transactions such as sales invoices.

But there are no facilities for sub-transactions to be created at a lower level. Transactions can only be grouped together at the same level by being identified by common field contents, such as by month, for example.

dBase II is much mora complex and much iess user-friendly, bnt is more flexible in the long run, being based on the relational model. For example, a database file may contain a number of publishing companies all of which may use a number of printers for different publications.

Tha hierarchy is clear there, but if the database is to contain information on printers too, they will almost certainly do work for a number of publishers, creating a separate hierarchical file which cannot be easily integrated with the poblisbers file, dBase II is better at handling this type of data structure.

The problem of hierarchical data structures prompted an IBM research scientist, Dr Ted Codd, to postulate the relational model. This model fits in more neatly with the concept of tables.

Spreadsheets present their data in tabular form so it was a natural development for Lotus to provide rudimentary data management facilities, which together with graphics for statistical presentation made its 1-2-3 spreadsheet a best-seller.

However, Lotus 1-2-3 is limited in the amount of data it can bandle to the amount of memory in the main processor box. It cannot look for data which is not in memory but stored on disk.

True DBMSs will research for data stored en disk. Some will still bave a limit, determined by the logic of the software, on the number of records, such as dBase II's limit of 64,000 records, although its successor dBase III bas virtually no limit. Although 64,000 may seem to be a large number, it is surprising how quickly databases fill np once they have been implemented.

### Popularity

There may also be a limitation on the number of fields per record, tbe number of data files in simultaneous use, the number of program and data files open aimultaneonsly, and the number of variables, all of which need to be taken into account when purchasing a micro-based database management system.

It is only in recent years, thanks to the astounding success and popularity of the IBM Personal Computer, that non-computing managerial staff has taken an interest in database technology.

Before then, it was the preserve of data processing technocrats. Now a database management aystem is just one of a number of microcomputer-based productivity tools, such as word processors and spreadsbeets.

A DBMS is useful for developing applications whicb are not clearly defined and regulated, as opposed to applications such as accounting ledgers or payrolis which are, in which case it is probably better to buy a ready made off-the-sbelf package than to re-invent the wheel.

The advantage of managed database files over the classical old-fashioned file organisation is their "data independence." They are not tied to specific applications. For example, in old-fashioned systems, payroll programs would process a payroll files, accounting programs would process accounting files and inventory programs would process inventory files.

Data beld in one fila for one application may be common to another application, so may need to be duplicated in another file. A database management system integrates the data, and manipulates a number of files for processing by various programs, thereby avoiding data duplication.

A micro which can allow different users to enter dsta, update it and carry ont file inquiries from different application programmes will be a sophisticated and expensive beast indeed. Most micro DBMSs should be qualified with the label "single-user" wbicb in a way defeats the very purpose of having a DBMS in tbe first place.

For a busy executive, this means that unless be (or sbe) is entering the primary data, be will have to wait around to get up-to-date information or interrupt the data entry process.

It is easy enough to provide the facilities to allow more than one user to get at tha same data, bnt difficult to ston them doing so at the same time. If this occurs, a situation described as the "deadly embrace" can develop wbicb is extremely difficult to disentangle. The suppliers of mainframe-based DBMSs of the the previous decade all bad to face this problem. Now it is tha turn of the micro DBMS suppliers.

If a file is heavily utilised, it would make no sense to lock other users ent wben one is using it. This is why one baars so much talk about record locking. Easy to talk about but difficult to implement.

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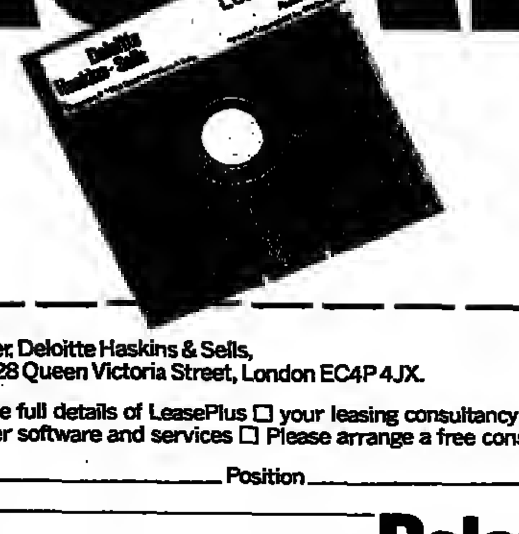

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# If experts fail, pity the layman

## Accounting

BORIS SEDACCA

SOME YEARS ago, the world's largest software products company swallowed a small microcomputer software company, got indigestion and spat it out again.

Management Science America (MSA) bought Peachtree te give it a foothold in the IBM Personal Computer market, partly because it was the first accounting system offered by IBM on its PC, and partly because Peachtree was just down the road from MSA's own corporate beadquarters in Atlanta.

MSA with more than 10,000 systems now in use worldwide, built its success on providing accounting packages for large IBM mainframe computers. Peachtree bad been very successful selling accounting nackages on Apple IIs. The enlarged company could cover the wbole micro-to-mainframe spectrum, but when it came to selling Peachtree on the IBM PC, the picture changed dramatically.

Last year MSA hived off Peachtree. This vignette has some parallels with the problems of choosing an accounting package. If MSA, with its vast technical knowledge and pools of money can get it wrong, what chance is there for the average accountant, anxious only to buy an effective program not a company?

According to the National Computing Centre's (NCC) Microsystems Centre, there are some 800 accounting packages on the market, of which about 200 are prodnced in the UK alone, with about 70 peckages available on the IBM PC.

Accounting, in compnter industry jargon, is a "horizontal" application, covering the needs of all businesses, as opposed to applications sold into specific "Vertical" markets, such as solicitors, travel agents, hoteliers, and so on.

The nominal ledger is the core module of an accounting system. For all but the smallest companies, the sales and purchase ledgers are almost mandatory too, as well as payroll. Other modules typcially offered include invoicing and sales order processing, job costing and stock control and in some cases, bill of materials processing.

Accounting software suppliers offer varying levels of integration between their modules. Tbe use of database principles (also discussed elsewhere in this survey) means that users should only have to enter data once for automatic postings to other books. This should ideally be done without further user intervention or updating runs.

The cost of accounting packages range from cheap and cheerful single-company, single-user packages such as Easy Junior from Scorpion Computing and Easy TABS from TABS, costing £100 per module, to multi-company, multi-user, multi-currency systems costing npwards of £700 a module.

### Modifications

Except for low-end packages sucb as the ones described above, it is advisable for accounting packagas to be set up by an experienced accountant. Mid-range systems, sucb as Pegasus from Brikat and Business Desk from Paxton will cover the needs of most small- to medium-sized companies.

Some packages offer full management accounting on top of the basic historical accounting facilities. The database approach is not always necessary but it does help if different reports bave to be created for management information. Some suppliers provide the source code to their packages at an extra charge to allow the end users to make their own modifications.

Others sucb es Brikat with its Pegasus package offer specific report generators, or application generators such as Compact Accounting with its Nucleus program generator which produce Basic programs to work together with the main accounting modules.

Nucleus achieved some measure of fame by winning the 1984 Recognition of Information Tecbnology Achievement (Rita) award, the computer industry'a equivalent of the Oscar awards, for the Software Product of the year. Its main attraction is that it can be used by people who bave never written a line of Basic program code in their lives.

Facilities such as date manipulation ara also important for things like automatic reminders en aged debtors.

Multi-user accounting packages bring in another level of complexity. Local area networks (LANs) provide part of the answer but the problems are not only technical. There are problems of security too on sensitive data from mistakes or from deliberate breaches of security.

Packages like Brikat's Pegasus, Tab'a Multi-user Tabs and Synergy from Ram Computer Services in Bradford offer multi-user facilities. Stephen Brabbins, a director at Ram, says that Lans such as Ethernet can cope with small amounts of data traffic such as file transfers on spreadsheets such as Lotus, but begin to strain with high transaction volumes.

Ram has now discarded Lans for the Televideo Personal Mini, supplied in the UK by Thorn EMI subsidiary, Computeraid "a personal Mini is 16 times faster than the competition," claims Brabbins.

"One transaction en our system may invoke multi-user updates to half a dozen files. This cao mean 150 networks accesses just by pressing the 'enter' key. A bus network architecture is wrong for this purpose," be says.

"Although they offer extremely high data transfer rates overall, anything from two to 10 megabits per second, this has to be divided by the number of users making use of the network."

As mentioned above already, multi-currency packages cost upwards of £700. Shortlands, Omicron, Tetraplan and Lyric Business Systems all offer such systems.

Shortlands is based on the Unix multi-user operating system, which has now moved down the scale from minicomputers to microcomputers and comes in three versions: Bronze for single company accounts, Silver for multi-company accounts, and Gold which adds multi-currency facilities.

Sub-ledgers can be run in a currency other than the base currency. The sales and purchase ledgers can run bank accounts in different currencies. Postings to ledgers are automatically converted to the base currency at the current exchange rate.

### Links

Omicron is often referred to as the Rolls-Royce of microcomputer-based accounting packages, with a pedigree originating from its two founders, ex-employees of RTZ Computer Services, who previously sold "parameterised" mainframe accounting packages and adapted their features into the Omicron Powersystems range.

Another desirable feature for an accounting package is the ability to work together with ether software packages such as spreadsheets and database management systems. Pegasus provides a link to Microsoft's Multiplan spreadsheet, Compsoft's Delta database management system, and other packages.

Compact accounting provides links for Nucleus with the more advanced Micromodeller spreadsheet and with mail-merge programs for sending out reminder letters for instance.

Accounting is a highly specified and defined application so may appear simple to program. After all, a major part of the problem-solving process is problem-definition. Nevertheless, apart from the very basic requirement for double-entry bookkeeping, there is much scope for variation in the way accounts are done, which is why accountants are spoilt for choice.

But, as in most things, the quality of an accounting package is usually reflected in the price.

# High output a sign of faith in market

FOR YEARS it was an assumption of the computer industry that it was difficult to sell to solicitors because they were reluctant to take on new ideas.

What the industry failed to understand is that they are also generally good businessmen who are likely to rigorously cost any large investment before buying. Often computer systems could not justify themselves.

One of the difficulties with solicitors is their special requirements. Like any other businessmen, they keep accounts—but not in the same way. The Law Society has strict rules on accounts and especially the need to keep client and practice money separate.

Solicitors are enthusiastic users of word processors but not with run-of-the-mill word-processing software. Their word processors need dictionaries with thousands of words the layman does not understand, let alone use.

There are also many other areas where solicitors could usefully employ computers, such as time recording, conveyancing, debt collection, storage of legal sources and precedents, trust accounting and electronic mail. But most of these require software specifically written for them.

Companies that write this type of software do not benefit from opening international markets; applications produced for the English market cannot be used in Scotland let alone Europe or the U.S.

It is a measura of the faith the computer industry has in solicitors that more than 40 companies currently offer specialist systems. The choice ranges from single-user microcomputers for about £8,000 (inclnding softwara) to multi-user, multi-purpose systems costing up to £50,000 for 10 screens, a couple of printers and a lot of software.

Most suppliers offer the software and hardware as a package. Although they are chiefly software suppliers, they need to sell the complete system to keep the cost of the software down. Most sell direct, although there are some systems available through dealers.

Trying to choose a suitable system from the variety available could be a nightmare but there is substantial help on hand. The Law Society, the Institute of Legal Executives and the Institute of Legal Cashiers hold conferences and seminars on the subject and publish guidelines for would-be purchasers.

The Law Society is particularly active. It has an approved list of soma 20 suppliers and a regular information service available for a subscription of £15. This service offers independent assessments of approved suppliers, products, plus background notes, general articles and a code of standards for suppliers.

This offers an excellent guide to choosing, buying and installing a system. It even carries recommendations on environmental requirements. All suppliers wishing to stay on the society's list bave to stick to tha code.

## Legal

COLIN BARKER

There is also a Society for Computers and Law and a monthly magazine pnblished under the auspices of the Law Society Gazette that offers guidance on running a practice, including use of computers.

The most popular applications for solicitors are word processing and accounts. Most suppliers in this area, such as Technology for Business, Miles 33, Oyez, Quill Legal Systems, AIM and Norwel Computer Services, offer these packages. The chief benefit is increased productivity from support staff for practices.

Time recording is the next most frequently used application but, perhaps because it usually requires that partners use the computer themselves, it is still used by only about a quarter of practices.

A time-recording system makes the bills more accurate, as the solicitor no longer bas to estimate bow much time bas been spent. Most suppliers offer time recording.

The problem with tima recording is justifying the cost of a terminal on the partner's desk. Many partners also feel that a computer terminal does not present quite the right image to the client. The busier and more expensiva practices are likely to see the greatest benefits.

Support packages are now becoming more popular. These cover conveyancing, trust accounting and probate, and debt collection. The breaking of the conveyancing monopoly gives the compntar industry a chance to argua that solicitors can become more competitive with a conveyancing package.

These usually offer standard latters with word processing, plus a diary. Letters ere organised and sent automatically and tbe solicitor bas to bother only wben things start to go wrong. The routioe paperwork and investigations are organised by the computer and the sunport staff.

AIM, Miles 33 and Oyez are three suppliers offering conveyancing.

Debt collection systems work in a similar way to conveyancing, prompting and prodncing the standard documentation needed and indicating wben sometbing out of the ordinary bappens that requires the intervention of a partner. Law Data Systems is the leader bere with the DEBTCO system.

These systems justify themselves by saving the time of partners and support staff. Whicb practices choose them depends on the mix and voluma of their business. It is usually necessary to have at least 500 matters (and preferably more) in the area chosen, to justify the cost.

Database/retrieval systems Lexis and Eurolex offer large sources of information on legal precedents, statute, case and current law which can be accessed by a terminal. Lexis has the bigger database while Eurolex offers more information on Common Market legislation.

Both offer hard copy summaries or whole text. With Lexis, a dedicated terminal is required. Eurolex will work on a wide range of terminals and microcomputers.

Researchers at the Law Society heva access to both systems

## Micro Package Software Revenue (W. Europe)

HARDWARE MANUFACTURERS

| | Origin | 1983 Packaged Software ($m) | Micro Package Contrib. (%) |
|---|---|---|---|
| IBM | U.S. | 687.0 | 5 |
| DEC | U.S. | 103.2 | 10 |
| Siemens | WG | 100.9 | 0 |
| H-Packard | U.S. | 90.5 | 22 |
| ICL | UK | 80.4 | 1 |
| Bull | Fr | 73.2 | 6 |
| HIS | U.S. | 65.5 | 3 |
| Sperry | U.S. | 52.1 | 0 |
| NCR | U.S. | 49.4 | 12 |
| Burroughs* | U.S. | 45.8 | 0 |
| Olivetti | It | 44.6 | 33 |
| Nixdorf | WG | 23.7 | 1 |
| Philips | Neth. | 20.9 | 4 |
| Prime | U.S. | 20.3 | 0 |
| Wang | U.S. | 17.2 | 26 |
| Other | | 410.3 | 27 |
| TOTAL | | 1,885.0 | 11 |

*Only markets multi-user microcomputers.

INDEPENDENT VENDORS

| | Origin | 1983 Packaged Software ($m) | Micro Package Contrib. (%) |
|---|---|---|---|
| Cincom | U.S. | 26.0 | 0 |
| Computer Associates | U.S. | 22.1 | 0 |
| MSA (Peachtree) | U.S. | 18.2 | 27 |
| ADR | U.S. | 15.1 | 0 |
| Sema | Fr | 14.4 | 0 |
| MicroSoft | U.S. | 14.0 | 100 |
| Cullinet | U.S. | 13.7 | 0 |
| VisiCorp | U.S. | 13.0 | 100 |
| Steria | Fr | 11.7 | 0 |
| ADV/Orga | WG | 11.2 | 0 |
| SAP | WG | 10.8 | 0 |
| CGI | Fr | 10.7 | 0 |
| DRI | U.S. | 10.5 | 100 |
| Informatics | U.S. | 10.4 | 0 |
| Thomson CSF | Fr | 9.9 | 20 |
| Other | | 771.3 | 18 |
| TOTAL | | 983.0 | 19 |

Source: Eurocast, International Data Corporation

Simultaneous voice and data transmission has been added to the AT&T PC6300 with a communications manager. It also has a XENIX operating system, high-speed co-processor and 20 megabyte hard disk

# Plugging into a wonderful wired world

JAMES MARTIN, the computer industry guru, observed some years ago that we were beading for what be called "The Wired Society." The race to provide communications for personal computers over the past couple of years has confirmed Martin's prediction.

After spreadsheets, word processing and database packages, the next most likely purchase for a personal computer user is a communications package.

There are several reasons for wanting to get "on line." In an office environment, tha ability to communicate between personal computers bastens on the much-vaunted office of the future. Home professional users are finding it an essential part of their lives as electronic communication becomes more widespread.

Even leisure users of homa computing are discovering new ways of using their expensive boxes to do more than play games.

With the wide range of networking services becoming available through the telephone system at all levels, never has the need for communications software been greater. Prestel, electronic mail through systems like Telecom Gold, on-line databases and the growing bulletin board pbenomenon all offer new ways of accessing and manipulating information.

The magazioe Telelink recently publisbed a list of some 37 bulletin boards in the UK—most set up and run by individuals on a shoestring budget. These electronic notice boards offer unprecedented opportunities for individuals with similar interests to communicate—provided they have the software and bardware to do so.

Every microcomputer is capable of being turned into a remote terminal througb use of a communicetions package. The more popular the computer, the wider the range of products on offer.

Most communications packages achieve their aims by pretending to be a remote terminal conforming to one of a small number of accepted communications standards. In communications jargon, tbese software packages are "emulators" and the standards they observe are "protocols."

A terminal emulator on its own is not sufficient for most personal computer users. A f- communications package must also include a program for bandling the visual display screen and other components

## Communications

PHILIP MANCHESTER

for performing file transfer operations.

The best packages wrap all these fcatures in an easy-to-use, menu-driven front end so all the user bas to do is press a few key words and they are projected into Jamea Martin's wonderful wired world.

In addition to the software package, potential communications users will require a piece of hardware called a modem and in some cases a special interface board that plugs into the personal computer. Many products come with the required hardware components as part of the package.

The simplest form of communications link involves plngging a modem into the RS232 port in the back of most personal computers, but wbere more sophisticated communications are required the extra board will be needed.

For the IBM PC, a product like Compusback's TCP is typical of the former. Included in the £200 price is a Dacom Buzz-box modem. The package includes a text editor that can be used to prepare messages or to prepare output from spreadsheet or database programs for sending to another computer system.

Similarly, Owl Micro-Communications offers a deal with an antodial modem together with viewdata softwere, so Apple II users cao plug into the Prestel service. The price inclusive of modem is £395.

Zycor's Micro-View incorporates both of the above and also provides access to Telecom Gold. At £600 the prodnct is available for a wide range of personal compnters, including the IBM PC and the Sirius.

The Sirius and the Apricot have proven ponular with communications package developers and a wide ranee of products are available. ACT offers a package deal for the Anricot called Communique which includes subscrintions to a number of network services.

Millhouse Designs offers a board called the FP88 for the Sirius, wbicb a number of package developers bave used as a basis for sophisticated communications products. A range of protocols is covered including the IBM 3270 and the ICL C03—both popular in the mainframe computer community.

The board plugs into one of the Sirius's memory expansioo slots and it gives a great deal of flexibility, as communications can proceed while other work is taking place on the personal computer.

Tbis is an important factor wben considering adding communications to a personal computer. Most communications packages require that the computer is dedicated to the communications function. By using an extra board to handle the communications, the personal computer can be left free to get on with other things.

Software Components of Leigbton Buzzard, sells a software package that uses the FP88 at about £1,000, but the package does allow something akin to a micro-mainframe link.

Similarly, tbe highly popular Irma board, et about the aame price, gives the IBM PC the ability to act as remote terminal to an IBM mainframe. It is distributed in the UK by West Surrey Computers.

The burgeoning micro-mainframe link market is another area of communications for personal computers covered in an earlier FT survey (Professional Persooal Computing, April 15, 1985).

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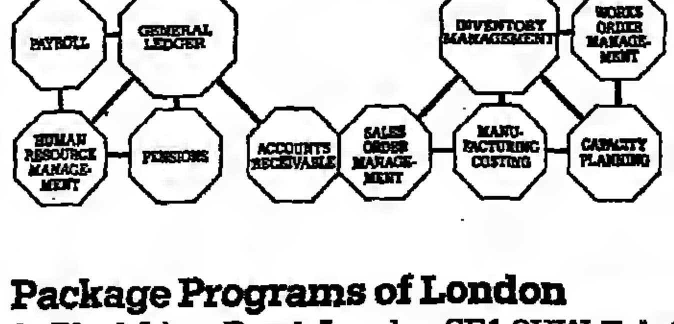


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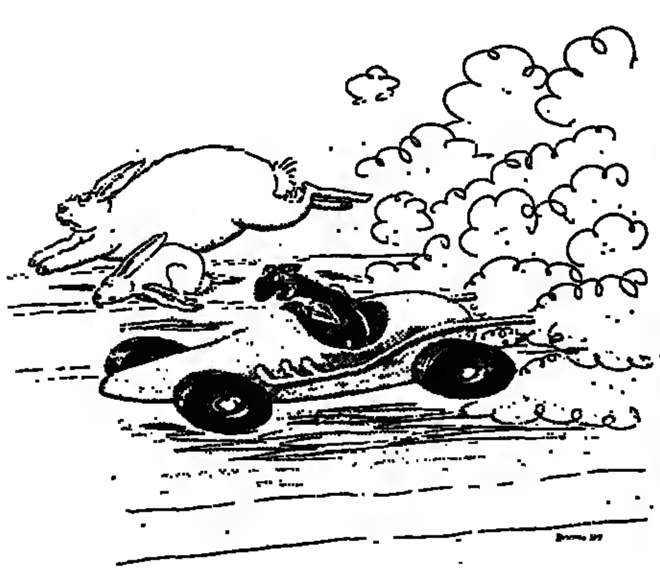

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* IBM Software Environment/CICS Marketplace Study September 1984.

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Various software packages can be fed into portables such as the Sharp 5000

# Versatile micro is all-powerful

**Word Processing**

WILLY BARDEN

A FEW years ago it was confidently predicted that microcomputers and dedicated word-processing machines would achieve *similar sales figures*. Today the micro is all-powerful selling in volumes 10 times greater than the dedicated machine.

This is due to the high quality of word processing packages available for micros, and to the much greater versatility—the same machine can handle financial modelling, accountancy, customer records—in fact almost all small business functions can be run on the one machine when loaded with the right software.

With a good word processor package the micro can nearly match the purpose - built machine on performance, and still be considerably cheaper.

For business use, the most popular dedicated word processors are IBM, Wang and Xerox—not necessarily in that order—and a machine is more likely to be purchased from one of these manufacturers at least partly because of their popularity, which makes recruitment of trained staff much easier.

With micro packages the situation is somewhat different, although some attempts have been made to simulate the better known dedicated machines on a micro, for example Displaywrite 2, which closely resembles the IBM Displaywriter in operation.

The dedicated machine is designed for ease of use, and will have a special keyboard with a particular key for each function, such as underlining or indenting. Each key will be labelled, and the machine may have the screen display on A4 page.

The basic micro, because it is intended to perform many tasks, will either use combinations of key presses for a single function, or special function keys. This implies that some method is needed to display the current function of each key such as plastic overlay on the keyboard or displaying on-screen a list of functions together with the key presses for selecting a function.

Both will slow the typing of the document. However, IBM, Apricot and other machines have special keys for paging and other screen functions.

Good manuals are vital as well, and these factors make the choice of a package harder.

The NCC software directory lists 166 word-processing packages, with prices ranging from £50 to £1,000, depending on facilities offered and degree of sophistication of screen presentation.

Integrated packages are also available with a word processing section, amongst the more popular of which are SYMPHONY, FRAMEWORK, and OPEN ACCESS. These products contain quite powerful word-processing functions linked to data-handling to easily prepare standard letters for many customers or for personalised mailing.

## Pirated

Word - processing functions can be used for high-quality reports from the data handling side. In general, however, a word processing package will be more powerful and somewhat easier to use than an integrated package.

Although word - processing packages have been available almost since the advent of the micro, the most popular packages are not *necessarily* the easiest to use or the most elegant in operation. WORDSTAR, has sold an estimated 1m copies (and an estimated 2.5m copies have been pirated).

The original WORDSTAR has a respectable history, dating back to the early days of the Apple, but is not particularly easy to use and seems archaic compared with the latest offerings. It has remained the top seller because it is available on a vast range of machines and because so many people are familiar with it.

Lots of other packages have been written to resemble WORDSTAR because it is so popular, a familiar phenomenon within the micro world where everybody tries for IBM compatibility or writes a spreadsheet package that closely matches VISICALC.

Other popular packages include MULTIMATE, which resembles the Wang dedicated word-processor and EASY-WRITER, which is simple to use. WORD has straightforward *text editing procedures* and *is* proving to be another popular package.

PERFECTWRITER has good formatting facilities and BOS/WRITER is one of the few word processing packages available for multi-user micros. WORDSTAR 2000 is a *popular* update of the old favourite to suit the latest machines.


# Should your business micro software offer a marriage of convenience or a Perfect match?

Most of us by now appreciate the ways in which a personal computer can help business. Word processing, forecasting and calculation, data storage and retrieval, and interactive data communications all become simpler and more efficient.

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It is the software you choose that matches your computer to the tasks and dictates what your compnter will, or will not perform.

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Rules for buying a word-processing package

# Looking for the wizzywig factor

WHEN BUYING a word-processing package it is of great benefit to involve the users—executives and typists who will be creating and editing.

*If a corporate policy covers* purchase of hardware, there may be constraints on the range of software, and it is worthwhile to test packages against one another to establish the most relevant one.

In a few years it may be vital to interconnect all the systems. This will be easier if they are made by the same company.

Selection should also consider the ability of the supplier to provide day-to-day support and a technical inquiry service. It is often only worthwhile seeking a discount on software purchase if you have a high level of technical expertise within your company, as these services are often the first to go to cut prices.

Another important item is the ability of the supplier to *provide training. If a popular* package has been selected it may be necessary only to recruit trained staff, although staff who understand your business will not require a period of integration.

Screen representation should closely resemble the printed output, with *realistic* emboldening and underlining. In the micro world this is known as WYSIWYG (pronounced "wizzywig" and meaning "what you see is what you get"). This can be difficult on a screen with limited functions such as the standard *low-cost micro*.

Some professions, such as solicitors, need special types of word processing. Here, the systems should be capable of selecting from a library of legally-tested phrases. It may be possible to obtain information on tailored packages from *professional* bodies.

In spite of all the predictions, there is little sign of the paperless office—in fact, there seems to be greater reliance on the printed word. This means that there will be a need for word processing and even when electronic mail takes over, there will still be a need for composing and editing.

Several manufacturers produce battery - powered machines that are small and *light* enough to fit into a briefcase, enabling managers to edit documents on the morning train. There are also interfaces to allow connection of typewriters to word processing systems.

The current range of printers are slow and noisy and seem likely to be swept away by laser and other non-impact systems.

These have facilities such as multiple character fonts on a single page, mixed text and graphics and colour, but are quieter and faster. The only obstacle to market domination is the price. Non-impact systems cost about double the conventional systems, although prices are falling fast and cost per copy is already competitive.

The other major area where change is imminent is screen type and presentation. Flat screens with higher resolution can provide better character shapes and a greater variety of fonts. The display of proportionally-spaced text would also be possible.

Few micro-based systems can display high - quality letters, and even fewer can show different fonts or character sizes on the same screen.

Not many allow the review of one document during editing of another or display of partial text additions during merging.

The best packages are getting closer to full type-setting systems. Although normal office requirements are rarely more than straight-forward text editing, the additional features will help sales of packages with good-looking screen displays and high-quality printed output.

Integrated packages will pick up sales against simple word-processing because they can handle more business functions.

**Willy Barden**


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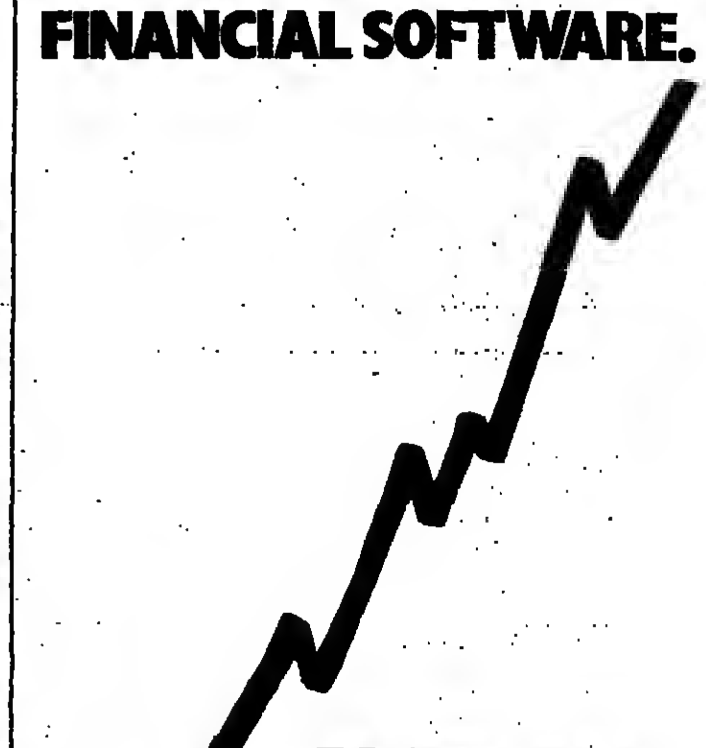

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# A view of the wood

## Financial Plans

PAUL FINLAY

FINANCIAL planning packages are used to create computer models of the financial activities of an organisation. The software directory issued by the National Computing Centre's micro-systems centre lists more than 100 financial planning packages available, and the list is not exhaustive.

With so many packages available it does not make sense to attempt a detailed investigation of specific ones. What is first required is an identification of the broad characteristics of classes of package. This will allow an organisation to select the type of packaga that best fits its needs, with subsequent detailed investigation limited to packages within the chosen class and taking account of the special organisational requirements.

It is with the primary classification that this article is concerned — describing the wood rather than the trees.

Six broad classes of financial planning package have been listed, roughly in order of increasing scope. Unfortunately thia tends to be associated with decreasing ease of use. The categorisation is not watertight: sometimes one characteristic would place the package in a different category to that corresponding to its general properties.

Even tha simplest package can often be bent to tackle complex problems, but this demands a great deal of effort and skill and defeats the purpose of buying a package. Only those capabilities that can be obtained in a straightforward manner bave been listed.

## Simple spreadsheet

A SPREADSHEET is the electronic equivalent of e large piece of paper divided into rows and columns. Whila many typea of package offer this facility, the term "simple spreadsheet" is reserved here for packages in which the spreadsheet is the be-all-and-end-all of the package.

A typical simple spreadsheet package offers 63 columns and 254 rows—1,600 cells—although the size of the computer memory may restrict the usable size. Into each cell can be inserted text, data or a formula. A simple financial model using a typical spreadsheet package is illustrated.

The formulae are cell-specific: for example, the formula "Revenne = sales X price" has been inserted into the spreadsheet, as B5 = B3 * B4 where B3, B4 and B5 are the cells containing the valnes of sales, price and revenue for 1985.

Thia is one "side" of the spreadsheet, showing the input data and the rules of calculation. A few keystrokea also allow the user to switch from this display to a second that shows the results of the calculations.

A complete matrix of 63 X 254 cells is too large to be shown on a computer screen and a portion of the spreadsheet must be chosen for viewing. The screen may be regarded as a window to view any chosen portion of the imaginary piece of electronic paper at the back of tha compnter.

Simplicity of simple spreadsheets is their greatest strength. The traditional way an accountant could build a financial plan is reproduced closely, and the print-out reproduces what is on the screen. Typical manuals that accompany the software are generally clearly written and most users should be constructing simple models within an hour of starting.

Simple spreadsheets are ideally suited to activities where a series of calculations are to be performed frequently, often with little modification, e.g., prodnct costing, simple budgeting and an investment appraisal.

A simple spreadsheet package exists for virtually every computer. Examples are SUPER-CALC2, *(high street stores like Byteshops, £195)* and CALC-MASTER *(Sapphire Systems, 01-554 0582, £49)*.

Although a marvellous tool for such applications, the spreadsheet is inadequate for sophisticated planning. It gives insufficient help with data input: for example, it is often necessary to "spread" a value across aeveral time periods, or to extrapolate according to a given growth rate.

Simple spreadsbeets do not offer this facility, nor the capability to carry out a full sensitivity analysis. Few spreadsheets link to files created by other systems and thus they tend to be nsed in "stand-alone" applications.

## Integrated packages

ALTHOUGH the facilities of such Jack-of-all trades are generally inferior to packages that bave been developed for ona specific application, this is not true of the spreadsheets they provide. The spreadsheets of LOTUS and SYMPHONY are among the best available, offering large matrices, colour and very extensive help facilities.

In other respects however, they still suffer from the same limitations as the simple spreadsheets.

Separte logic / advanced language packages offer full data-modelling thus easing data input. Extensive predefined financial routines, for example covering depreciation and tax payments, are available.

Sophisticated facilities for sensitivity analysis allow many options to be investigated easily. For example, a "targetting" facility is available whereby "what must?" questions may be answered, eg "What must sales be in order that the profit is £4m?".

Together with the ability to produce boardroom report and a graphics capability, separate logic packages provide a very sophisticated planning tool. They can also be "black-boxed" which permits the package also to be used operationally as well as in the planning function.

Micro-FCS *(EPS Consultants, 01-579 6931, £1,250)* is at the top of the range of these packages, perhaps offering the most modelling facilities. Other separate logic packages are MICROMODELLER *(Intelligence, 01-740 5758, £595)* and on a smaller scale FASTPLAN II *(Comshare, 01-222 5665, £525)*.

## Dedicated packages

COMPUTER modela consist of the rulea of the game (the logic) and the associated data. Dedicated packages differ from all other types in that their main offering is not a framework within which you can do your own thing with the logic, but rather a set of completely-defined routines covering whole areas of accounting and finance, such as investment appraisal and the production of company accounts.

Thus the user does not bave to worry thinking about the model logic and report specifications as these are predefined. His only concern is to insert data in response to computer-generated prompts. Use of package is thus "prompt driven."

PLANALYST *(Computer Financial Models, 01-253 67381, £745-£1,495, with 21-day free trial)* is a good example of this genre, and is geared to financial analysis and projections. The screen prompts tha user for some input, perbaps for employee costs or numbers, for which there are several options (eg sales per employee in values of the base year). The user makes hia selection and inputs tha values. The system remembers the options selected and adjusts later menus accordingly.

Boardroom quality standard reports include e balance sheet, profit and loss account, cash flow, productivity analyses (for which the system strips out inflation), and a wide range of financial ratios are available.

Optional facilitiea of Planalyst include currency conversion, user-designed reports, the ability to compare two companies against chosen varianca limits and e small CALC facility for the user to design his favourite ratios, solvency eqnations, etc.

Although it ia sometimes possible to create non-standard outpnts using dedicated packages, this is usually difficult. Dedicated packages hava tbeir greatest appeal to managers who want computer assistance in performing well-defined activities end who have little time or computer expertise.

SystemBuild *(0778 344388)* offer e library of around 40 programs suitable for use with LOTUS 1-2-3 and SYMPHONY. This library includes modules for casb flow forecasting, investment appraisal and fixed asset records and depreciation calculations. Each module costs £75.

TK!SOLVER *(Bytes?ops, 0480 218812, £349)* provides investments appraisai, ratio analysis, depreciation and other financial modules.

### Separate Logic Package Financial Model (Micro-FCS)

```
3  'SALES'
4  'SALES PRICE'
5  'REVENUE' = 'SALES' * 'SALES PRICE'
6  'RAW MAT COST'
7  'LABOUR COST'
8  'VAR COST' = ('RAW MAT COST' + 'LABOUR
   COST') * 'SALES'
9  'FIXED COST'
10 'TOTAL COST' = 'VAR COST' + 'FIXED COST'
11 'PROFIT' = 'REVENUE' — 'TOTAL COST'
```

### Simple Spreadsheet Financial Model

| A | B | C | D |
|---|---|---|---|
| READYBAKE COMPANY: THREE-YEAR FORECAST | | | |
| | 1985 | 1986 | 1987 |
| 3 SALES (m) | 28 | 30 | 32 |
| 4 SALES PRICE | 0.30 | 0.30 | 0.30 |
| 5 REVENUE | B3*B4 | C3*C4 | D3*D4 |
| 6 RAW MATS COST | 0.070 | 0.075 | 0.075 |
| 7 LABOUR COSTS | 0.04 | 0.04 | 0.04 |
| 8 VAR COSTS | (B6+B7)*B3 | (C6+C7)*C3 | (D6+D7)*D3 |
| 9 FIXED COSTS | 5.0 | 5.2 | 5.6 |
| 10 TOTAL COSTS | B8+B9 | C8+C9 | D8+D9 |
| 11 PROFIT | B5—B10 | C5—C10 | D5—D10 |

## Data processing

THE traditional approacb in data processing is for the builder and user of systems to be distinct. The SAPPHIRE-MARS package *(Sapphire Systems, 01-554 0582, £395)* follows this tradition.

Although the model building is menu driven (and there is an expert mode for the buffs) few planners are likely to want to produce a planning aid with it. Where data-processing expertise is on band, sucb a package ia suitable for budgeting, linking in well to files created by the accounting systems.

It can be "blackboxed," whereby the user interacts with the model through predefined prompts. So Mars bas the interesting feature of being "menu-driven" for model building and predominantly "promt-driven" in use.

Another package is PLUS-PLAN *(Deloitte Haskins & Sells, 01-248 3913, £995)*, which fits rather uneasily into this category. Its unique features are its adherence to accounting jargon, its basis in double-entry bookkeeping and its general "auditor-friendly" approach. Plusplan bas certain facilities for ensuring that accounting consistency is maintained, and offers full accounting consolidation.

## Separate logic advanced language

IN THESE packages the logic and data are kept separate, except wben calculating. The rationale for this is that the same logic may apply to severai sets of data—for different parts of the organisation or from different experiments with the model. Unlike the simple spreadsbeet packages, the logic is not cell-specific, but applies to all time period unless specifically restricted.

Straightforwerd English may be used in defining the logic (eg, the expression "revenue = sales x price" is acceptable) whicb enable the models to be self-documenting. This is a significant feature wben it is realised that formal planning is generally carried out only spasmodically, and the ability to regain a firm understanding of a model built during a previous planning period is very important. An example of the logic for a very simple financial model written using a separate logic package is given.

## Database financial planning

DATABASE financial planning packages are the most recent type developed. They are not to be confused with database packages (such as DBase) bnt bave been developed along database lines specifically for financial planning. Although the concepts may be e little difficult to get used to, thia type of construction allows the modelier great freedom. He does not need to specify the exact form of the model at the outset, but instead is called upon to specify the basic features of the model—of its dimensions, elements and the logic that links the variables.

For example, a company selling several products in several regions might creata a model with the dimensoins of product, cost, region and time. Elements for each dimension would be specified, for example, London, Leeds and Glasgow for the region, and January, February, Marcb et for the Time.

It is then possible to report on any two dimensions—costs against time for the production of bolts for London, or products against costs London for the wbole year.

This ia done by FINAL package *(D. M. England and Portners 0734-342666, £1,500-£3,200* with demonstration version available at £250).

A further attraction of databaae financial planning packages is tbat it is not necessary to specify the sequence of calculations, nnlike all other types of packages, aince they are powerful enough to work out an approprlate sequenca for themselves. This the rules of logic can be written in any order.

* * *

*FT-MONEYWISE (Moneywise Software 01-878 8585, £395)* is perhaps the easiest of these packages to use, with a comprebensive tutor accompanying tha software. FT.MONEYWISE was launched in May 1984 and bad the diatinction of being runner-up in the Whicb Computer? Recognition of Information Technology Achievement as Software Product of the Year.

The package offers wbat is termed a Moneybook consisting of 67 pages. These are of several types, the most important being the modelling, graphics end presentation pages.

The modelling pages consist of a matrix of 168 rows and six columns. All six columns are always sbown on the screen and, rather unusually, represent variables rather than time. The rows are associated with time, with the number of time periods visible on the screen at any one time limited to 12.

The rationale of this method of input is that this is the only aatisfactory way of ensuring that all the data associated with tbe common 12-month planning horizon are visible on the screen at one time. It is into the modelling pages that the user would place input data (normally columnwise) togetber wlth the rules of calculation.

Pressing a single function key allows tho display to be changed, showing either the input data and the results of calculation or tha data Input and the rules. Sharing of date between pages is antomatic. Extensive data modelling features are available.

As the name suggests, the grapb pages show extracts from tha modelling pages in pie cbart, bar chart and graphical form. Tbe presentation pages contain information to be output. This may simply be copies of the modelling pages but can be totally text if reouired and with extracts from the modelling and grapb pages inclnded with or without commentary.

The speed with whicb reports can be prepared is one of tha great assets of FT MONEYWISE. The package is also very fast when it comes to recalculating large models since it ia smart enough only to recalculate those elements that are affected by a change rather than recalculating the entre model. The package does not offer a sophisticated sensitivity analysis facility bowever.

* * *

Another packaee of this type is Micro-WIZARD *(Comshare, 01-222 5665, £5,000 for up to five copies)*. This offers a wide range of fecilities bnt its price and its rather complicated model-building means that it is only sultable for the large corporate user baving compnter expertise on hand.

*[Note: all prices exclude VAT.]*

**Dr Finlay is a lecturer at Loughborough University and a consultant with the National Computing Centre**

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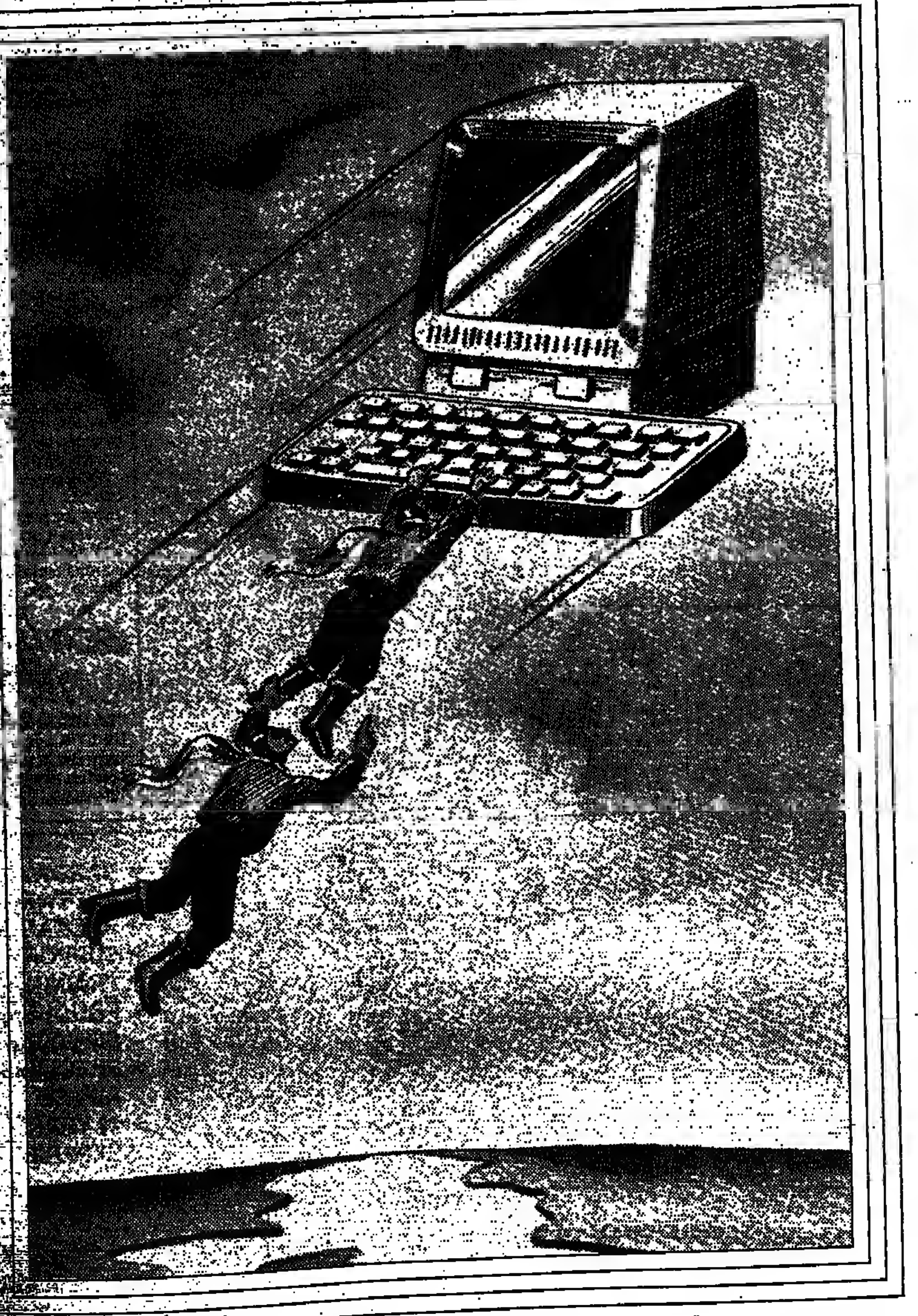

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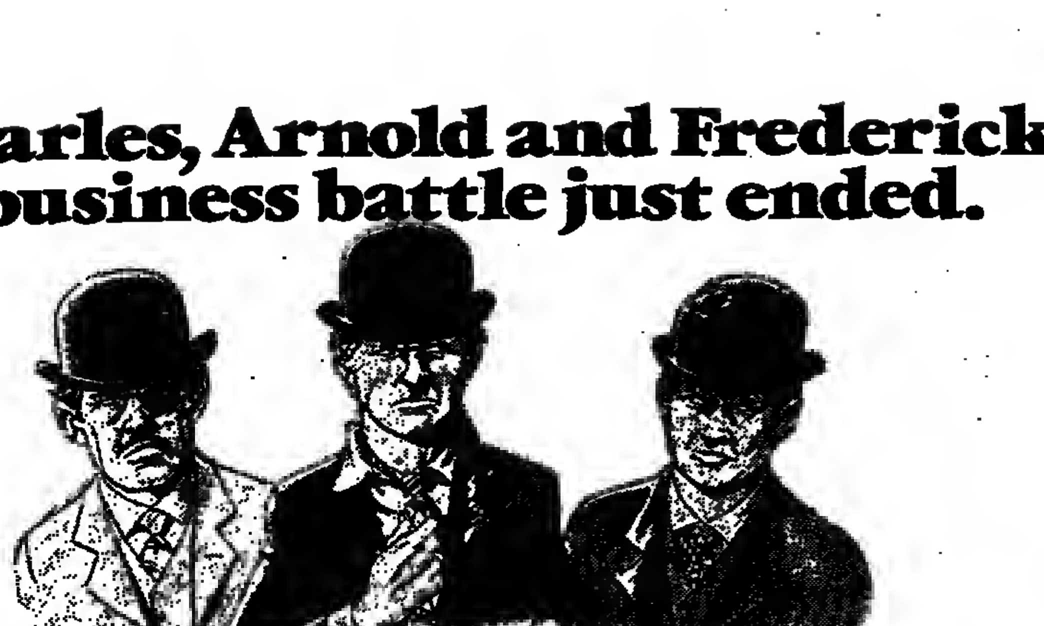

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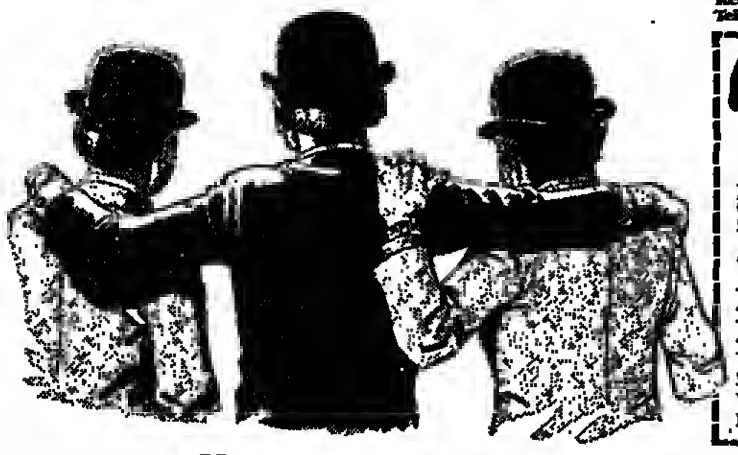

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## Graphics

KEVIN TOWNSEND

SUCH IS the quality of modern computer graphics that it is tempting to think of the subjact as an application in its own right, in the same way that word processing, financial modelling and project manegement are computer epplications. This would be inaccurate.

Graphics is not an application hut a medium to input, and/or present the output from, genuine computer applications. Business graphics, as distinct from computer-aided design (CAD), is not an end in itself. It is a fundamental part of the elusiva man/machine interface, an attempt to make humans and computers like each other.

A distinction must be drawn between husiness graphics and CAD graphics. The latter uses graphics as a fundamental part of tha application — namely "design" — and is basically different to business graphics.

Business graphics is as much a "philosophy of computing" as anything else—a philosopby that is being continually enhanced hy research into the way the buman brain works.

Current thinking divides the brain into the left (verbal) half and the right (visual) half. People with e more developed left side tend to think in strings of verbal logic; those with e more developed right side think in pictures.

Understanding seems to be more associated with the right side of the brain, and is therefore more closely linked to pictures thao prose.

Business graphics uses this to make the complex and sometimes esoteric concepts of computing as easy as possible to use end understand. It seeks to make computers easier to use by giving instructions in pictures, or "icons," and results easier to understand hy means of graphs, pie charts and so on.

As a result, the use of graphics in commercial computing falls into three categories:

● Graphics as an aid to interpreting the results of applications, like Dataplot from Grafox, selected by DEC to present data from Multiplan on the Rainbow.

● Graphics for understanding bow to use other applications as exemplified by the Macintosh and used by the Graphics Environment Manager (GEM) from Digital Research.

● Graphics as a way of including easily understood visual ideas within complicated textual reports, as with Doodle from Trilex.

The traditional business graphics package holts on to existing spreadsheets and database systems, and re-interprets columns of numeric deta into visual representations. A manufacturing company might have a system that automatically produces sales statistics from its ledger system in the form of lists of sale hy category.

Sucb computer listings are still presented at the monthly managers' meeting. It would be more useful if the sales maneger could present the finance director with a top quality colour grapb sbowing percentage sales, current trends, top salesmen, etc.

Visually, the relevant information can be assimilated in seconds—verbally, it could take bours.

Products that do this are plentiful, with perhaps the UK market-leader being Dataplot from the Oxford-based company Grafox. Particularly popular in the U.S., and growing in popularity here, is Microsoft Chart.

"Tbe single most importent requirement of a grephics package is that it should link with a spreadsheet," says Mr David Fraser, UK general manager of Microsoft. Charts ere used to represent figures, and most figures are produced with spreedsheets.

"Charts should make all those boring figures come to life."

British management is notoriously conservative, and there is a reluctance to adopt anything new thet involves the effort of interfacing two different products—in the first example, Dataplot and a spreadsheet or detahase, or even WordStar.

It is therefore inevitable that this type of stand-alone package will begin to lose sales to the newer integrated packages like 1-2-3, Symphony, Knowledgeman and tbe UK's Xchange, which have their own grephics systems—even if tbe graphics is of a lower quality with less versatility.

Unable to beat them, Grafox has joined them. It has introduced Logistix, a database combined with a spreadsheet combined with graphics package and e time management system.

But graphs and charts are only one side of graphics as a visual presenter. If it can be used to present spreadsheets, it could be used in othar areas.

Mr Roger Hollingworth, a director et Istel, the old DP department of BL, said: "The major impact will he in the field of management information and decision support systems.

"Istel has used not just graphics but animated grephics for several years. Numbers and words are becoming secondary. The biggest impact from graphics has not come from histograms and pie charts, hut the systems such as the Istel installation at Jaguar which makes extensive use of graphics to present floor management with management information in a form that is fun to use and easily understood.

"This is the future of graphics."

Perbaps the most important, and certainly the most exciting area of microcomputer software, is the race to achieve the eccepted method of graphically interfacing software to users.

The availability of low-cost silicon controllers and new display techniques is allowing the traditional character-based interfece (words typed at a key board) to be replaced by e richer and intuitive picture-based interface. Much of the pioneering work in this aree was done by Xerox with its Star project—and Apple has introduced the first low-cost system with Macintosh.

The concept allows the user to instruct the computer by manipulating images on the screen—without, in many cases, needing to touch a keyboard.

Microsoft is working on its system called Windows. IBM bas announced TopView, which will almost inevitably heve a graphics interfece, and DEC is developing a similar system for its Professional series.

But one of the most edvanced systems yet is GEM, produced by Digital Research. Mr Peul Bailey, European vice-president, explained the significance.

"GEM provides support for e graphics-based user interface for applications on any PC that runs concurrent PC-DOS or MS-DOS operating systems. It provides system software services thet manage the display of iuformation on graphics devices such as screens, printers and plotters; and processes inputs from devices such as e mouse, keyboard or trackerball.

"The principle on which all of DRI's GEM applications work is to provide the user with a graphic image of the work environment, so that the PC equipped with GEM can replace all earlier methods of processing with much more flexible and easy to use tools—without forcing the user to learn radical new computer terminology and techniques."

One nther area of graphics that is more important to the commercial than the R & D markets is "Paint and Draw" packages. These allow the user to paint or draw diagrams to illustrate text.

Again, the concept owes much to Xerox and Apple's Macintosh. The real race, however, is to integrate such graphics with word processing, and although it can be done, it bas yet to be done edequately.

One of the best of these draw types of package is called Doodle, from the UK company Trilex. It is so powerful at drawing diagrams that it could even be called a CAD peckage —which is, its beritage.

Trilex, however, sees it as a commercial package, and bas provided an interface to a number of leading word processors — notably WordStar. The theory is that WordStar can produce the document, and leave a gap for the illustration. Doodle will then produce the illustration, and will even scale it up or down to fit the gap left by WordStar.

At the moment, these are two separate packages. Tha aim is to allow diegrams to be drawn from inside commercial word processors, and for text and diagram to be visible and alterable on the screen at the same time.

According to ISSCO (UK): "The UK business graphics market is two to three years behind the U.S. market, and it is only just beginning to eccept graphics as e good business tool."

It is often claimed that the UK is as far behind the U.S. as it is ahead of the rest of Europe. The boom years in the U.S., where ISSCO claims to he the largest single supplier of business graphics packages, were in 1983 and 1984.

Managing director Mr Roy Graham predicts that "the UK bom is just ebout to take off—and will probably continuc to flourish for several years." He estimates this market to be worth $15m to $20m, growing to $100m by 1988.

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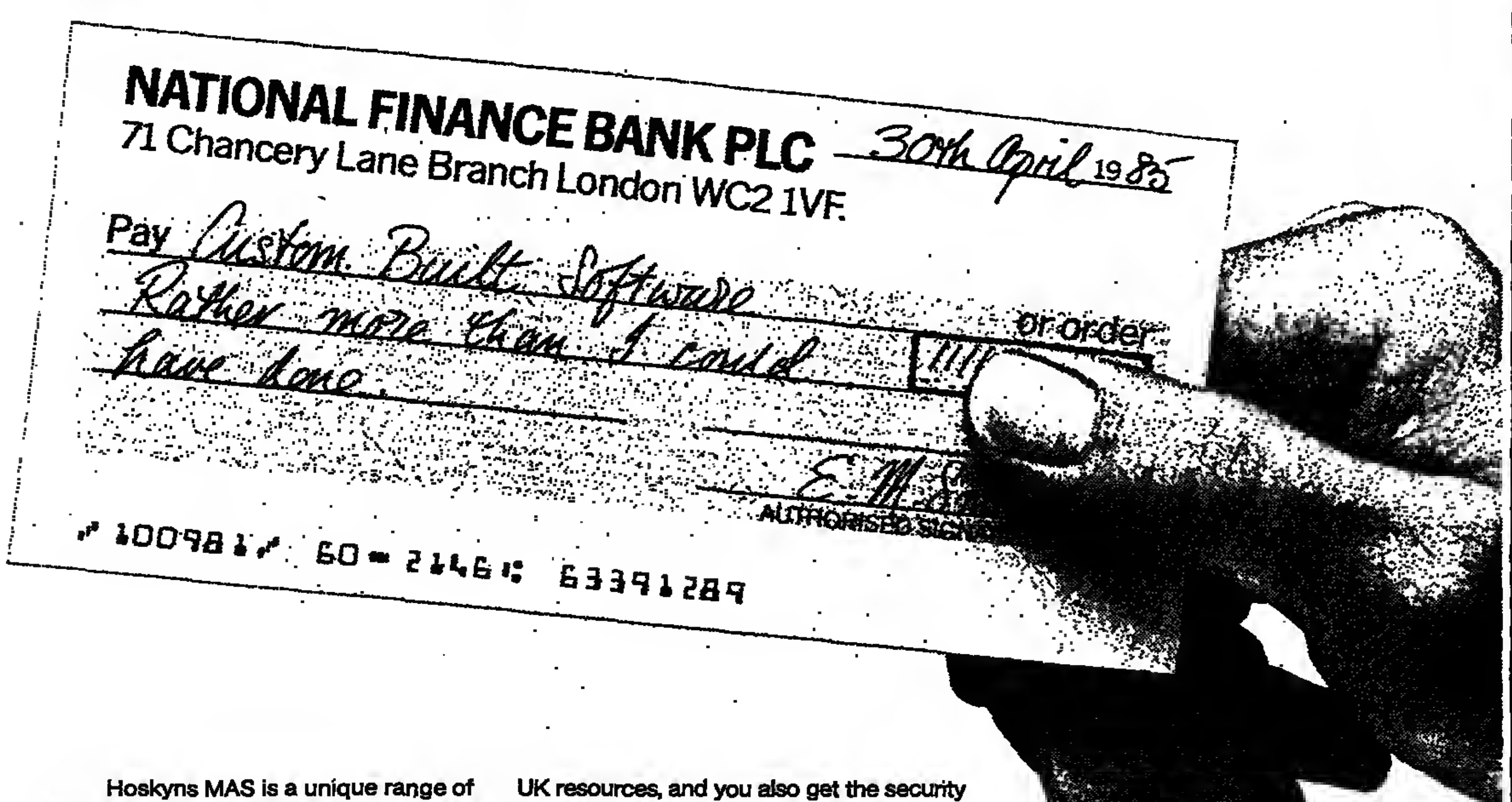


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# The shape of things to CIM

## CAD/CAM

KEVIN TOWNSEND

COMPUTER AIDED DESIGN (CAD) is the elite use of computer graphics. Unlike business grapbics, which uses visual images to present the results of other epplications, CAD is an application in its own right.

Like so many computer concepts, the basic theory is very simplest: CAD enables tbe designer to develop bis ideas by producing visual lmeges on a display screen; he may then "edit" the imege interactively; and finally obtain the "formula" needed to manufecture the item so designed.

But CAD should not be viewed in isolation, for lt is really only one, albeit the first, step in the process of production. Indeed, CAD has hecome so inovlved with CAM (computer aided manufacturing) tbat many people view CAD/CAM as a single subject. However, so fast does high technology develop, that even this term is giving way to e new concept: computer integrated manufacturing (CIM).

### Integrated

Peter Wilde, CAD/CAM Marketing Manager for Digital Equipment (a company that, incidentally, claims to bave 25 per cent of the CAD/CAM msrket), explains the issues. "People in this market," he says, "require total solutions. In the past, engineering solutions simply comprised a processor, a software package and the eppropriate user interface —that is a grephics terminal. Each department was left to solve its own problem individually: design, sales order processing, shop floor data, documentation, commercial (spreadsheet) modelling and business grapbics. The result was a series of islands of computer automation.

"The current trend is towards integrated computing systems for engineering, manufecturing and supporting functions. This involves data management communications ecross diverse networks, computer systems, applications software, and shop floor equipment. The result is known as CIM, where data can flow from design drafting to modelling, analysis and manufacturing."

In Digital's case, communications is provided by Ethernet and DECnet to link tha VAUX range of systems from MicroVAX up to the VAX 8600; and now inclnding the new VAXstetion 32-bit single user workstation. This latter is ideally sulted as a *CAD* workstetion with its high resolution graphics and multi-windowing cepebilities.

However, fully functional CIM is still a long way from fruition in many *CAD* applications. In the mantime, CAD can be visualised as a pictorial spreadsheet, for the designed intention of the two applications is conceptually similar. CAD allows the designer to use the screen as e worksbeet on which to visualise bis designs.

The system will then use all the computing power of modern processors to allow him to make minute changes here and there —and to see, instantly, wbet effect those changes will have on the product. In this way, CAD software provides the same "what if" capabilities tn visual modelling that spread-

CONTINUED ON NEXT PAGE

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## European Micro Package Market

| | 1983 | Average Growth (%) | 1986 | Average Growth (%) | 1989 |
|---|---|---|---|---|---|
| West Germany | 98.2 | 55 | 365.4 | 41 | 1,020.4 |
| France | 81.4 | 55 | 305.4 | 40 | 839.5 |
| UK | 127.7 | 55 | 477.0 | 35 | 1,164.2 |
| Ireland | 4.3 | 56 | 16.3 | 36 | 41.0 |
| Italy | 53.3 | 57 | 204.8 | 38 | 538.3 |
| Netherlands | 22.8 | 63 | 98.5 | 44 | 294.1 |
| Belgium | 11.8 | 61 | 49.3 | 43 | 145.4 |
| Sweden | 21.1 | 58 | 84.0 | 36 | 211.0 |
| Denmark | 11.7 | 60 | 47.6 | 39 | 127.0 |
| Norway | 8.8 | 63 | 37.8 | 42 | 107.3 |
| Finland | 9.1 | 61 | 38.0 | 40 | 102.2 |
| Switzerland | 15.8 | 64 | 69.7 | 40 | 191.3 |
| Austria | 8.5 | 64 | 37.7 | 42 | 107.1 |
| Spain | 16.9 | 73 | 86.2 | 41 | 247.4 |
| Portugal | 1.2 | 84 | 7.5 | 52 | 26.1 |
| Western Europe | 492.6 | 57 | 1,927.2 | 39 | 5,163.4 |

*Source: Eurocast, International Data Corporation*

# Pencil to keyboard

CONTINUED FROM PAGE 8

sheets provide to financial modelling. And just as the subjects modelled by a spreadsheet system can be many and varied, so can the concept of CAD be used to design many different products.

One recent example can be found in the package called Scotweave designed by the Scottish College of Textiles, and available from Pragma. Buyers do not like to buy what they haven't seen—a and in textiles they like to choose from a range, and to incorporate their own small changes. This creates an enormous headache for the textile designer—the process of designing and making up can sometimes take weeks.

Now, with a combination of Scotweave, an IBM PC-XT (or AT) to do the processing, and a Pragma high-resolution colour display screen like the CX1400 to show the results (the IBM PC is often inadequate for higher quality CAD displays), the designer can develop new patterns on the screen in front of the buyer, instantly.

And if the buyer still insists on seeing a fabric example, Scotweave will then produce the "ticket" for the screen pattern; that is, the design specification for the weavers to produce the finished product.

This type of application is only made possible by the quality of both hardware and software now appearing on the market. However, Pragma's Ken Heather believes that UK industry is proving slow to adopt the new possibilities. "It seems to me," he comments, "that many UK designers in conventional industries cannot make the jump from paper and pencil to computer keyboard. CAD has developed rapidly in ultra-modern areas such as VLSI design, aeronautics and aerospace—but in reality it is in the traditional areas that we so badly need the facility that CAD can provide, and here progress is painfully slow."

This is a view by Peter Lever, the sales director of Advent Systems. Advent specialises in producing usable applications from high-tech developments. One example is its new Documentor, a system that uses the technology developed in space research for the production of digital photographs. This system allows anything (but usually drawings) to be photographed, reproduced digitally on the screen, and there edited or incorporated in textual documents.

However, the two primary areas for CAD are still recognised as two-dimensional architectural design, and three-dimensional engineering. As often happens in computing, some of the best systems are developed by companies for their own needs, and then offered to the market.

In some ways, this is the history of the E2000 CAD system from the Carrier Corporation — more usually associated with air-conditioning. Finding no usable CAD software at a realistic price on the market, Carrier decided to develop its own system that it could sell for around £30,000. The E2000 was developed by professional architects and engineers who, because of their experience, were able to help design the system to suit their fellow professionals. The E2000 was officially launched in the UK in 1984.

Robert Hall, of Robert Hall Associates, is one of the first users of E2000, and is typical of the users of CAD in general. "Draughting," he says, "takes a lot of time. If we wanted to expand, we would have to take on more staff. The E2000 is a quick and efficient system for producing the drawings we need."

### Improving

However, like any other industry, CAD has one or two dominant figures able to produce new products in line with new market trends. One of the biggest trends in computing is the move towards the microcomputer, and, inevitably, the U.S. CAD giant Computervision has now launched an IBM PC-based system called the Personal Designer. It includes PC-DOS, microCADDS Geometric Construction and Detailing software for two-dimensional and three-dimensional design, and enhanced graphics capabilities; and will optionally run a wide range of other CAD software.

But just as CAD software products are improving, so too are hardware techniques and capabilities suitable for quality CAD systems. "A screen pixel resolution of 720 x 300 means that it is particularly well-suited to the demanding requirements of the computer-aided design environment—which is where it has achieved most of its success," explains UK marketing manager Ian McMurray.

CAD would not be possible without the latest hardware techniques. But even now, the quality of the specialist CAD products can sometimes be surprising. The CX1500 from Pragma can support a screen resolution of 1536 x 1365, with the availability of more than 16.7m simultaneously viewable colours.

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# Total analysis supercedes record-keeping

## Personnel

KEVIN TOWNSEND

PERSONNEL management would appear at first glance to be ideally suited to computerisation. Its requirements have an underlying structure that provide the classic data file: a single (personnel) file composed of individual (staff) records each comprising a regular number of formal (information) fields.

Given this "perfect" structure, it is surprising that relatively few companies have implemented computerised personnel systems. Statistics vary from one supplier to another, depending upon the average size of its target company. A supplier selling mainly to companies with a minimum of 1,000 employees might find that 50 per cent of its target sector is computerised.

Missing Link Computers, a new company with a microcomputer system suitable for companies with as few as 200 employees, believes only 15 per cent of its market already uses computerised personnel management.

The main reason is the cost. Personnel is an internal clerical function with no direct relationship to increased sales revenue or reduced purchase costs. The personnel department is usually low on the list for company funds.

"Personnel is among the last clerical-intensive functions in modern business," says Mr John Angel, marketing director of Percom. The limited resources available to the personnel manager are mainly used for collecting and updating employee data.

"The manager is unable to undertake the professional job for which he has been trained because of his preoccupation with administration."

But the picture is changing. The falling cost of hardware, and the arrival of powerful microcomputers mean relatively small companies can justify computer systems.

Percom is one of several companies offering personnel management systems on microcomputers. Comshare, for example, has developed Profiles/PC for the IBM PC-XT market. This is a stand-alone product that can still be linked to a central mainframe to interrogate the corporate database.

The communications link is another Comshare product called Microseck. This allows data to be transferred in both directions and provides the system with a combination of maximum security (inherent to microcomputing) and integration with corporate information and resources.

One of the most impressive of the new microcomputer personnel systems is the Personnel Assistant from Missing Link Computers—winner of the RITA award for the software product of the year 1985.

The product is built around a powerful and flexible database designed and owned by Missing Link. Because of this underlying structure the system is usually tailored to the requirements of individual clients. It starts as a basic personnel management system, and ends up as a complete management information system on a company's most valuable asset—its staff.

Mr Claude Quinn, Missing Link marketing director, divides the market for personnel management systems into five categories:

- Mainframes (of which he does not have a high regard).
- Minicomputers ("good but costly").
- Bureaux ("becoming less and less popular").
- Microcomputer database systems such as Delta, Silicon Office and dBase II ("cheap but slow, cumbersome and inflexible").
- Purpose-designed micro systems.

Of the last, he says: "The Personnel Assistant and Percom's IMP (Integrated Personnel Module) are the only two programs in this category. Both are designed by personnel professionals."

Missing Link says personnel is a function that can be decentralised and need not be attached to or run on the central corporate mainframe. To a certain extent it is supported by the market for one of its major clients, the National Coal Board, is doing that.

The board is evaluating a customised version of the system at a number of collieries. If it proves successful the intention is to install a dedicated personnel management system at every colliery.

However, one of the U.S. trends is away from dedicated systems and towards "human resources management." One such product is available in the UK from PPL.

"The economic environment and, in particular, the cost of manpower, has created a far greater interest than before in 'human resource management'," says Mr Roger Osborne, PPL customer service manager.

"This phrase has been coined because computer-aided record keeping has been superseded by the concept of manpower management: budgeting, attrition analysis, salary projections and manpower planning are now demanded, involving a total analysis of payroll, staff data, pensions and even leavers and joiners information.

"Future trends will add to the personnel manager's demands upon records of his personnel. For instance, equal opportunity and racial discrimination are becoming important for some employers such as local government.

"The nature of human resources management demands a system that can be easily changed. The basic employee records provide the core of information for payroll, labour costing, personnel and pensions processing with the various managers sharing common data."

In spite of the increasing power of the microcomputer, on-line access by many departments to common data still requires mainframe capacity. Management Science of America, the world's largest independent supplier of mainframe software, has been marketing personnel systems for more than a decade and Mr Stuart Walsh, the UK managing director, has strong views on personnel management.

"People are probably the most expensive and valuable commodity that any company has, and without their good will, investment in new plant and equipment alone are unlikely to bring success."

Mr Walsh believes that many of the advantages of personnel management systems are undervalued. "A computerised personnel management system can instantly provide a wealth of information about the qualifications, talents, and experience of employees so that decisions can be based on fact rather than intuition.

"In the broader context of financial management, a personnel system can expose and quantify costs which may not be immediately apparent — for example, the cost of absenteeism, and of providing benefits and training.

"But on a more positive note, an effective personnel system can help reduce staff turnover by analysing the causes of discontent so that the situation can be remedied. Our system incorporates a powerful modelling facility so that users can predict the effects on productivity and staff turnover resulting from changes in wages, holiday entitlement, working hours and retirement age."

The corporate overview is the one taken by the majority of larger companies. Personal computers may be the ideal solution for small companies and those without a centralised management information system, but for the larger business "the company's personal system will form the centre of the corporate database," according to ICL.

"Data transfer should be possible between specific facilities such as payroll, personnel and word processing," the company said. "Only in this way is the necessity to duplicate data removed.

"If copies of an employee's address are held separately on the payroll, training and personnel systems, there is a strong possibility of discrepancy.

"The ICL Personnel 20 system will link directly to the DRS WP utility, enabling the production of standard document formats including personnel details such as age, salary, location and address."

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# Complex task for Cinderella

## Pensions

ALASTAIR GUILD

PENSION schemes have a higher profile than ever. Soma funds are now worth more than their company's othar assets, while legislation is imposing frequent changes and unions demanding more for their members.

Computerisation is the only realistic way of coping with such complexities, yet there are almost as many options as there are variations on a pension scheme.

"There is constant development of *software packages*," says Mr Christopher Fry, financial services d'rector of the Hogg Robinson Group. Legislation *has come* thick *and fast* and more is promised. Data processing departments which have developed bespoke pension *packages are not generally* able to respond to these changes.

"Traditionally, pensions have had a low priority within companies, so DP departments have not developed in-house systems. Hence the need for pensions administration packages."

Hogg Robinson's BENEFIT package is capable of running on everything from Digital micros up to the Digital VAX mini. It aays a micro is viable for np to 4,000 records, the Digital PDP is capable of holding up to 30,000 records and the VAX mini a huge number. Software, such as pensioner pay*roll, personnel, payroll* and word processing can be added onto the basic BENEFIT package.

"The pension fund manager tends to base his choice of peckage on software capabilities," Mr Fry says. "The data processing departmen is more concerned about the hardware—whether to use a stand alone system or make the hardware compatible with other administrative aystems."

Even at board level, pensions are often viewed as a Cinderella, according to Mr Nigel Benians, systems manager for Noble Lowndes. "Many pension departments see standalone systems as a way of getting their independence from central DP administration. They choose a micro-based solution because it falls within their budget, but a cheap system will often only partly do the job so they need *the same number of staff* as before, and may find that the package is not as complete as they thought.

"A package is sold warts and all, and not many companies selling micro packages can afford the necessary after-sales support.

"Some consultancies even offer cheap microcomputers to run pension packages hoping to pick up consultancy and actuarial fees. Because the system is not so user-friendly, they may then be able to sell more consultancy and actuarial time. They might, for example, offer the IBM PC AT for £5,000 to £7,000, though the consultancy fee may be £20,000 per annum over the system's lifetime.

"Many companies still do not appreciate the complexities of running a pension scheme in-house."

Mrs Vivienne Miller, of Bacon and Woodrow Computing Services, emphasises the need for software to be capable of suiting whatever the customer wants.

"The most time-consuming part of setting up a package is in agreeing what is to be held on the system's records," she says. "Our package, MICRO-PANDA, is a general suit of programs but, because no two schemes are identical, it is tailorabla to suit any particular scheme."

### Statements

The basic system, which runs on an Apricot, Sirius or IBM PC, enables the user to set up members' records on e file and to inspect or amend those records with an automatic log of any changes.

There are various optional reports available with MICRO-PANDA. These include member reconciliation, members approaching retirement, reports for submitting information to the DHSS in an approved format and a "report generator" facility which allows the user to search records for members who satisfy certain criteria. Other optional extras include benefit calculations and statements.

The cost of the basic system, including *hardware and software* is £11.500. Additional facilities will cost extra. For example, a system for a single *scheme with report facilities*, benefit calculations and benefit statements will cost about £18,500, provided that the exact method *of calculation of* benefits covered is stated in the rules or booklet of the scheme.

Maintenance and updating would cost 15 per cent of the initial cost annually.

LASER, marketed hy Noble Lowndes, is available on e micro and is also used by NL to support its own third-party administration services. It enables updates by pensions staff rather than systems experts.

NL considers the package most suitable for companies with more than 1,500 staff who wish to operate their own pensions departments.

"Pensions staff want to be able to amend and control the system without relying on systems experts, Mr Benians says. "We use a modelling language so users can talk to tha computer in English.

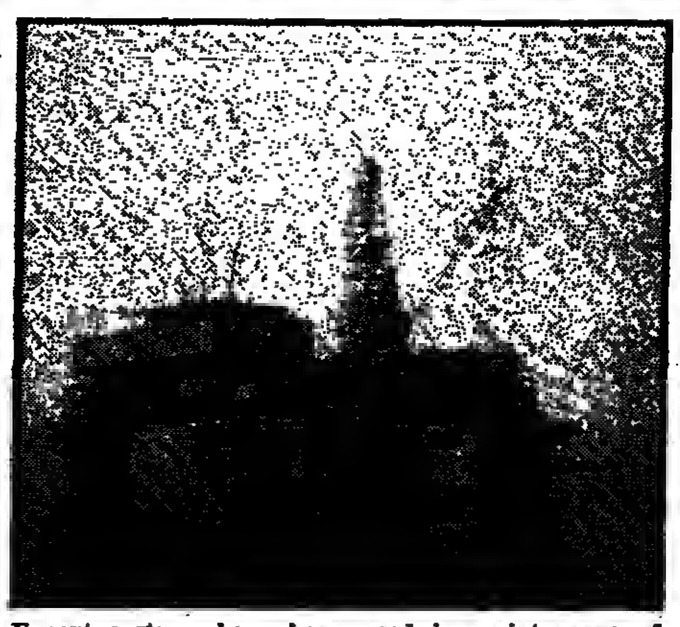
All work was originally much more inflexible, similar to many pensions packages. "But the impact of changes in legislation caused schemes to react in different ways, so we ended up with more modifications than basic programs."

Another advantage of LASER over many software packages, claims Mr Benians, is that member records and calculation routines are dated, Mr Benians says. It is therefore possible to reproduce a member's calculations or report from any date—past, present or future—regardless of changes enforced hy legislation or additions made to data and schema calculations.

However, some companies would rather not have to rely on in-house pensions expertise to monitor and update such a system. Then it is worth considering using one of the micro packages or a bureau service.

"Such a service will cost more in outside fees hut less in internal staff costs," Mr Fry says.

"On the other hand, if the scheme is sufficiently large to warrant a pension scheme department, it might as well buy a package and use existing staff, though it will still have the headache of keeping the system up to date."



Export systems have been used in maintenance of complicated equipment such as North Sea oil platforms

# Shelling out for human reasoning

## Expert systems

PETER MARSH

THE KNOWLEDGE of a human expert enshrined as a computer program sounds an attractive notion for many organisations with plenty of problems to solve and reletively few highly skilled people to tackle them.

But the task of producing such programs may not ba easy as a number of companies that have experimented with this *sort of software have found* in recent years.

Programs with the capability to drive a computer so it can *be said to* "reason" *in a human* way are called expert systems. Initially developed by academic researchers in the U.S. in the *1970s*, programs of this kind have become evalleble commercially only in the past five years.

Ordinary computers process information as sequences of mathematical symbols. Expert systems, on the other hand, can contain thousands of rules on subjects in specific areas such as medical diagnosis or the maintenance of complicated equipment such as oil platforms.

The rules are of the general form: "If factor A applies, then thare is a B per cent chance *that condition C is true." Many* such rules are meshed in the structure of the program so that, fed with outside data, the computer can proceed from one rule to another, building up rudimentary inferences.

In this way, for example, the computer may be able to deduce from a mass of data about the condition of a car engine the nature of a fault from which it is suffering.

The rules linking facets of the engine's performance to aspects of its *internal* mechanism would be provided to the computer by a mechanic. Once part of tha computer program, the *rules could* be made accessible to a relatively unskilled person. By quizzing the computer and adding data about the engine, this person would be guided to the source of the fault.

All this is the theory of how expert systems operate. In practice, it may take a great deal of effort on the part of the organisation using the software to make it effective.

Expert systems have two main technical requirements. Firstly, they need to be written in a special computer language—Prolog or Lisp for example—that lends itself to working in a rule-based manner.

Secondly, they generally need relatively powerful computers, for instance a Xerox 1108, a DEC VAX, or machines made by the American specialist computer company Symbolics. More recently, however, expert systems heve appeared that can run on less powerful hardware such as IBM personal computers.

Few companies are using expert systems in a routine fashion. Those that have bought software with which such systems can ba implemented are generally experimenting with the technology in research laboratories.

Expert systems are usually sold in one of two ways. A company can sell a set of software in tha form of a computer language. In this way, for instance, Expert Systems International, of Oxford, makes available a form of Prolog (which it calls Prolog-1) for about £400. It is up to tha customer to turn this into a *specific* expert system, possibly using a manual.

A more popular route is for the software company to provide an expert system shell. *This is* e set of software written in an appropriate language in e rule-based structure.

### Promise

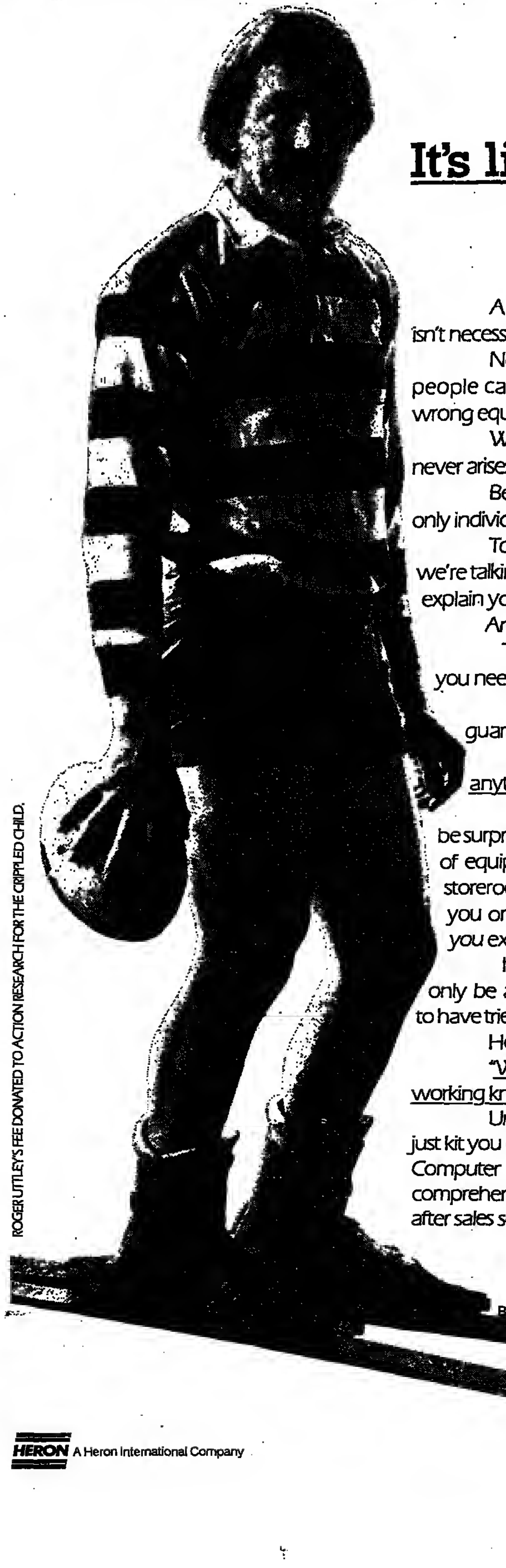
The customer has to add *specific knowledge to the shell* in the area for which it is intended. Sales of such software are analagous to *marketing*, in tha *world of electronic* components, of "uncommitted logic arrays"—standard forms of chips to which the customer *has to* add *extra circuits* for popular application.

Customisation for expert system shells can he lengthy. It may take a specialist in interpretation of oilfield data months to supply enough knowledge *so* tha *softwear* is usable by unskilled people.

With experience, companies may find ways of cutting down on the tima to "fill out" a shell. Shells under development may also offer more promise, in that they ara "semi-customised." They may be specific to particular application areas, such as control or maintenance of equipment or medical diagnosis.

Prices of shells vary enormously. Teknowledge of California *sells M-1*, a *shell* that can run on an IBM PC, for $10,000. To gain full benefit from the shell, the company suggests that customers go on a 13-week training course. The F-1 shell also sold by Teknowledge costs $50,000 to $80,000, depending on whether it runs on a Xerox 1108 or a VAX.

At the lower end of the market Logic Programming Associates, a company set up by researchers at London's Imperial College *five years ago*, sells a shell called APES for about £400. Such software may provide less sophisticated *systems* than the high-priced products. But they are useful tools with which organisations such as colleges or universities can gain experience with expert systems to find out if the programs have real applications.



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